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# China Report

RED FLAG

No 5, 1 MARCH 1986

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17 April 1986

## CHINA REPORT

### RED FLAG

No 5, 1 MARCH 1986

Translation of the semimonthly theoretical journal of the Central Committee of the Communist Party of China published in Beijing.

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## UPHOLD THE SOLEMNITY OF THE LAW

Beijing RED FLAG in Chinese No 5, 1 Mar 86 p 2

["Forum"]

[Text] A question that calls for an earnest solution in current legal system work is to resolutely uphold the solemnity of the law; truly succeed in obeying the law, prosecuting violators, and strictly enforcing the law; and make full use of the weapon of the law to crack down on criminals engaged in serious economic and other crimes.

It is a fundamental task of our country to strengthen the building of socialist democracy and the legal system. We have achieved remarkable successes in this field over the years. Although we have enacted the Constitution and a number of important laws, the laws are not yet perfect. Therefore, it is necessary to draft some essential laws, and particularly to strengthen and perfect economic legislation, so as to ensure the normal progress of economic activities. Meanwhile, it is also necessary to uphold the solemnity of the law. In strengthening the building of the legal system, it is necessary to pay attention to legislation and ensure that there are laws to obey, and to pay attention to enforcing the law and ensuring that the law is obeyed. When a law has been enacted, it must be resolutely put into effect and strictly enforced. Its role should also be brought into full play. An important reason for the failure to crack down effectively on criminal activities some time ago, especially on speculation and swindling, smuggling and peddling contraband, engaging in bribery and corruption, and peddling and showing pornographic videotapes, was not that there was no law to follow, but that the existing laws were not strictly followed and enforced. Lenin said: "If the law is not scrupulously applied, it may become a mere game and lead to results quite contrary to those intended." ("Collected Works of Lenin," Vol 30, p 173) If the existing laws are not followed and enforced, how can we talk about the authority and sanctity of the law?

The key to upholding the solemnity of the law lies in leading organs and cadres setting an example in abiding by the Constitution and laws and supporting the political and legal departments in independently carrying out their work. When handling major and important cases and cracking down on serious economic crimes, certain political and legal cadres feel that these cases are difficult to deal with and judge. They are difficult because

REALIZATION OF LOFTY IDEALS SHOULD BE COMBINED WITH SATISFACTORY PERFORMANCE  
OF ONE'S OWN WORK--IN COMMEMORATION OF THE '8 MARCH' INTERNATIONAL WORKING  
WOMEN'S DAY

Beijing RED FLAG in Chinese No 5, 1 Mar 86 pp 3-7

[Article by Hao Jianxiu [6787 1696 4423], member of the Secretariat of the  
CPC Central Committee; capitalized passages published in boldface]

[Text] Lofty ideals are the enchanting goals of our striving, as well as  
the will of society and aspirations. It is very significant to talk about  
lofty ideals on the occasion of the "8 March International Working Women's  
Day" of the first year of the Seventh 5-Year Plan.

I

For thousands of years, working people have always sought an ideal society,  
longing to live in a world without oppression and exploitation, a world with  
equality for all people. Tao Yuanming of the Jin Dynasty enthusiastically  
described in his essay "Peach Blossom Stream," a beautiful world in which  
everyone participated in labor and everyone enjoyed life. He expressed his  
longing for a Chinese arcadia in which there was no exploitation, cheating,  
lying, and oppression. "Flowers in a Mirror," a novel of the Qing Dynasty,  
also described a state consisting of gentlemen, in which there was a high  
moral standard, equality for all people, and fair trade. However, such an  
ideal paradise was an impossibility in a feudal society. Nonetheless, man-  
kind has never stopped seeking, and has conducted many experiments, includ-  
ing the peasant uprisings in Chinese history, in which the slogan "equality  
in social status and wealth" was proposed. But it was not until the 19th  
century when the doctrine of scientific socialism came into being that the  
loftiest ideal of mankind--communism--emerged.

Communism is such a social system. No exploitation and classes exist, pro-  
ductive forces are highly developed, goods and materials are abundant, and  
the people's consciousness is greatly elevated. Its basic principle is  
"from each according to his ability, to each according to his needs."

The communist movement is to go through a very long historical process. As  
for China, our predecessors spent decades carrying out continuous struggles.  
They succeeded in overthrowing the oppression of the three heavy

mountains--imperialism, feudalism, and bureaucrat-capitalism. They founded new China, basically completed the socialist transformation of the private ownership of production means, and eventually eliminated exploitation. It was not easy for our socialist system of today to emerge.

To persevere in the belief of communism, numerous communists, including many heroines, have realized their pledges with practical deeds, even with their blood and lives, not hesitating to devote their all to realize communism. During the period of the new democratic revolution, we had such heroines as Xiang Jingyu, Zhao Yiman, and Liu Hulan. Some were thrown into prison and sacrificed their lives heroically in order to spread Marxism. Some fought on the battlefield and sacrificed their lives in the smoke of gunfire and the rain of bullets. Still others confronted the knives and guns of the enemy, devoting their lives to the motherland with righteousness in their hearts. In the course of socialist revolution and socialist transformation, millions upon millions of women have strived heroically in all fields. They have likewise created magnificent heroic feats. Everywhere, we have women playing exemplary roles with their actions, contributing their share to building the paean of communism in the spirit of serving the people heart and soul, with their work in agricultural and industrial production, at various cultural, educational, medical and public health, and scientific research undertakings, defending our national security, uniting our friends at home and abroad, and struggling against internal and external enemies. Comrades Xiang Xiuli, Zhao Chune, and Sa Benmou are typical examples.

Numerous heroines, models, and advanced women have set up glorious examples for their contemporaries and successors. Their heroic feats and exemplary actions have shown that women are not inferior to men, that they too can accomplish earthshaking feats. At the same time, their feats have shown that only when one has established the magnificent ideals of communism will it be possible for one to have a clear goal of struggle and direction. Only then can one exert efforts and reach a pure and brilliant mental state and acquire a noble moral sentiment. Only when one has a firm revolutionary faith in communism will it be possible for one to maintain a vigorous revolutionary will and utter devotion, and to resolutely strive for the emancipation of mankind all one's life.

## II

The practice of building socialist material and spiritual civilizations is an integral part of the cause of communism. Therefore, in dealing with lofty ideals at present, it is necessary to closely link the magnificent aim of communism with a satisfactory work performance. If we depart from the magnificent aim of communism, we are likely to stray away from the correct direction in our work; but talking about the magnificent aim without a satisfactory work performance is sheer lip service.

Since the 3d Plenary Session of the 11th CPC Central Committee, many noticeable changes have taken place in China. Reforms have touched all aspects of society. They have provided better prospects and more favorable conditions,

as well as opened up more opportunities for women to persevere in lofty ideals. It is precisely the clear need for economic structural reform in both the urban and rural areas and the four modernizations which has mobilized thousands upon thousands of women to plunge themselves into reinvigorating China and to join the ranks of those becoming rich through hard work. A work force of 150 million women in China's rural areas is presently working in all fields. They account for half of the total rural work force. The number of female workers and staff in urban organs, enterprises, and institutions is more than 42 million, accounting for 36.5 percent of the total number of workers and staff. In 1984, more than 2.39 million women were working in the natural sciences, engineering, and technology, accounting for 32.1 percent of the total number of scientists, engineers, and technicians. It is unprecedented in China's history for so many women to participate in social labor. This is a good development in the course of our reform.

Women have made their share of contributions to reform. However, the reforms have also tempered women. Women support the party's leadership, support all party principles and policies, and are all in favor of the urban and rural structural reform of our economy. They show concern for socialist modernization and China's prosperity. They hope for social stability and a change for the better in social atmosphere and party style, for good results in the construction of spiritual civilization, and for a healthy growth of the next generation. Given the competition in the fields of science and technology, plus differences in knowledge, they understand "survival of the fittest" and the need to work hard in their studies of culture, technology, and management. They are conscientiously improving their capabilities in order to meet the needs of the times, while showing concern for others and helping them to make progress. The overwhelming majority of women have adhered to the four cardinal principles and cherished the state, the collective, and labor. They are capable of handling well the relationship between the state, the collective, and the individual. They do not forget the state, the collective, and others when they become better off. They are disgusted by the unhealthy tendencies in society and have continuously strengthened the concept of morality and the legal system, and they distinguish between right and wrong. Changes in our social productive forces have brought about changes in our economic and social life. There have been changes in women's ideology and concepts, especially among young women. Their vision has expanded and they have begun to consider the whole country and the whole world instead of their own families and native localities. They now have a desire to do something great. They have found their own values. The idea of "starting to work at daybreak, calling it a day at sunset," which has passed from generation to generation, is being replaced by the new concept of time and effect, and of value. The traditional concept of a small-scale peasant economy characteristic of self-sufficiency and being satisfied with things as they stand is being gradually changed into a concept of commodity economy and socialized modern agriculture. They have changed the old concept of attaching importance to manual labor only, now emphasizing the use of one's mind. Improvements in material life have promoted women's pursuit of a rich and healthy spiritual life. In short, women have come to understand through their personal interests the benefits derived

from reforms: Their participation in labor has expanded, the living standards of their families have been upgraded, and the welfare of women and children has improved. At the same time, the reforms have greatly increased women's enthusiasm for their work and study, bringing about many pleasing changes in their spiritual outlook.

A large number of advanced women with lofty ideals, morals, culture, and discipline have emerged in the construction of the two socialist civilizations. They stand among the people with brand-new images of contemporary women. Take for example the "8 March" first aid team in Laoshan. These women soldiers have given up their families to deal with the enemy on battlefields filled with blood and fire. They are in no way inferior to the other sex. Textile workers are another example. They have ignored the cotton dust in the workshop, the deafening roar of looms, and the exhaustion of walking hundreds of miles along the lanes between looms every shift. In this respect, they are stronger than the other sex. The many women in the service trades have worked hard in a down-to-earth manner, and made valuable contributions to the people with their noble characteristics and style. Advanced women working diligently and arduously in the fields of culture, science, and technology, such as Wei Yu [7279 6877], Xiu Ruijuan [0208 3843 1227], and Hu Daofen [5170 6670 5358], have accomplished things in scientific research which have won the acknowledgement and praise of people at home and abroad.

In short, the advanced women of today have been able to score such brilliant accomplishments because they have the objective environment brought about by reform. "It is like a vast sea in which fish can swim freely, or the high sky where birds fly without restriction." This is all the more so the case since they have correctly handled relations between lofty ideals and reality, between ordinary work and the great aim of enjoying creative activities and life, and between giving and receiving. They are outstanding people who closely link magnificent ideals with extraordinary work performance.

### III

If women are to shoulder the heavy responsibilities of reform and the four modernizations, they must overcome greater difficulties and hindrances than men.

On the one hand, the remnants of male chauvinism in society discriminate against women in school enrollment, employment, work, and obtaining an education. In some places, women are still looked down upon when acquiring CPC or CYL leadership. At the same time, women's low social status and their being injured and insulted for several thousand years in feudal society, and the obstinate ideological remnants of feudalism have resulted in women having lower cultural standards, narrow-mindedness, and an absence of great ideals. To solve such problems, it is necessary to overcome the remnants of outmoded ideas in our society.

"Women are half the sky." This saying implies not only quantity, but, more important, that women are an indispensable force in the course of realizing



the magnificent ideals of mankind. Accomplishments in all fields of socialist construction are inseparable from the wisdom and labor of women. Our world today is one in which science and technology are especially developing rapidly, and intelligence will play a greater and greater role in production. In this sense, women, who are physically not so strong as the other sex but not inferior to them in intelligence, will play a far more important role. Anyone who fails to see this and continues to hold on to the old concept of male chauvinism will be committing a mistake of a historical nature.

At the same time, further changes in the status of women depend not just on the attention of the whole society and the forces of all relevant departments, but on the striving of women themselves. Women in the 1980's should resolutely get rid of their sense of inferiority, firmly establish a spirit of "self-esteem, self-respect, self-dignity, and self-improvement," be bold at taking up the responsibilities of society and the state, and work hard to improve their own qualities and mental attitude, in order to seek their thorough emancipation. Qiu Jin, the outstanding woman fighter during the period of democratic revolution, wrote the following: "Do not say that women will never be heroic; I, for one, will nightly exercise with my double-edged sword." I like her heroic aspirations, her unwillingness to be made slight of, and her devotion to the country. We women are not born weak. In the new historic period of reforms in particular, there is no reason for women to worry about having no opportunity to show their abilities! The question is whether we have closely linked our great ideals with our work performance, whether we have the steadfastness to continuously improve ourselves. In answering the question "what can a woman do," Comrade Cai Chang said: "If you are bent on becoming a working woman, you will find you can do almost any kind of job; but if you do not want to work, you'll find you can do nothing in the end." Madame Curie, the physicist who was twice awarded the Nobel Prize, said: "We should have faith and self-confidence, in particular! We must believe that our talents are to be used to accomplish something; no matter how great the price, that something must be achieved." What a great enlightenment are such words!

Let us take a look at Chinese sportswomen competing heroically in international contests. Our national women's volleyball team, women's badminton team, women's table tennis team, and women's baseball team, the latter winning second prize the first time it took part in a world contest, have enabled China's national flag to fly high abroad. Their brilliant accomplishments, which dumbfounded the world, have proved that Chinese women are not inferior to women of any other nation. Looking at the heroic feats in the history of the Chinese nation, at the world history of sports, and at the accomplishments by numerous women with aspirations in the four modernizations, why should we feel inferior?

#### IV

"Self-esteem, self-respect, self-dignity, and self-improvement" are enabling women to educate themselves in terms of lofty ideas, morals, culture, and discipline. They link these to the characteristics of women. To achieve "self-esteem, self-respect, self-dignity, and self-improvement," women

should continuously improve their own qualities, including their political, ideological, cultural, and professional qualities. Living in these times of reform, they should have the brains for reform, a spirit of blazing new trails, and a drive to do practical work. On the eve of the "8 March" International Working Women's Day, I should like to make a few proposals which should encourage each of us in our endeavors:

1. HAVE A CORRECT UNDERSTANDING OF THE SITUATION AND SUPPORT REFORMS WITH PRACTICAL ACTIONS. In recent years, China has conducted many important reforms. In 1985 in particular, a bigger stride in reforms was made than expected, as well as better results. The requirement of being sure to win the first battle was fulfilled, and this laid a foundation for future reforms. The Central Committee has decided that the chief task of 1986 is to "consolidate, digest, supplement, and improve" those reforms which have already been carried out. This is a very important stage--one which allows us to make preparations for taking another important step in 1987. The work volume will be rather great. Reform is to negate the old and create the new. Any newborn thing can be gradually made complete and perfected only when its merits are kept and its shortcomings overcome continuously, its "positive effects" fully brought into play when its "negative effects" are checked. To complete and perfect reform policies and measures involves the work of the party and government as well as the efforts and support of people throughout the nation, including, of course, women, "who are half the sky."

Reform is also a revolution, and progress is made only by blazing new trails. In China, which is a big country with complicated conditions, a certain price must be paid for reform, and it may even give rise to some social turbulence. Such turbulence is the inevitable rough sailing of a ship of history in the course of its voyage, but it is by no means the same turbulence we suffered during the "Great Cultural Revolution." The course reform has taken in recent years has fully proven this. The purpose of reform is to change the poverty-stricken, backward features of China, to make the country and the people prosper. However, this does not mean to say that every reform measure will bring immediate material benefits to the people. Reform simply emancipates productive forces; it takes some time to create wealth. Only when we are bent on carrying out reform, and work arduously, will it be possible for us to obtain abundant material wealth. Therefore, in carrying out reform women must focus their efforts on raising social benefits and economic results, improving operations, upgrading quality, and reducing consumption. Thus, when in the future each of us women looks back on the course we have taken, we will say: I have nothing to regret, for I have already devoted all my efforts to the magnificent cause of the four modernizations!

2. BUILD SOCIALIST SPIRITUAL CIVILIZATION WITH PRACTICAL ACTIONS, PROMOTE A BASIC TURN FOR THE BETTER IN THE SOCIAL ATMOSPHERE. When carrying out socialist modernization, it is necessary for us to guard against the tendency to divorce the building of spiritual civilization from the building of material civilization. We must also guard against the tendency to grasp the latter only, while neglecting and even weakening the former. Just imagine, if the building of spiritual civilization is ignored, with the social atmosphere

going from bad to worse, how can economic building be successful? Even if some accomplishments are scored under such circumstances, what sense does it make? The Central Committee is determined to strengthen the building of spiritual civilization, and to rectify party style and social atmosphere. When the new year began, the Central Committee primarily grasped the exemplary role of central organs. To my mind, things are hopeful so long as the whole party and people throughout the country work together, so long as they genuinely grasp their work firmly, grasp it continuously for a year or two, and realize a basic turn for the better in terms of party style and social atmosphere.

Women are the task force not only in the building of material civilization, but in the building of spiritual civilization. Women in such fields as culture and education, public health, public transportation and communications, finance and trade, and post and telecommunications in particular have to face many students, customers, passengers, and clients; they are placed in an important "window" position in the building of socialist spiritual civilization. The quality of their work performance, including their attitude in their service, their style of operation, and the reputation of their work will directly affect social atmosphere and human relations. In this sense, many women are at the forefront of the building of spiritual civilization. A satisfactory work performance means making a due contribution to the building of socialist spiritual civilization.

Building socialist spiritual civilization with practical action involves doing a good job in the following two respects: First, resolutely resist and criticize the erosion of bourgeois decadent ideas. Affected by the atmosphere of "looking forward to money in everything," which was fashionable not long ago, some comrades said: "Making money means a bright prospect, besides, what's the good of lofty ideals when there are no personal interests to speak of." This is not the language of our women in the new times. In the new historical stage of reform, we women must persist in our magnificent ideals and noble sentiments. We must consciously resist the corruption of bourgeois ideas and be vanguards in the building of socialist spiritual civilization. Second, we must resolutely fight against the maltreatment and injuring of women which still goes on in our society. We must eliminate the uncivilized and immoral treatment of women. We women must take action, be bold at adopting means of resistance and exposure, mobilizing public opinion and working in cooperation with judicial departments to crack down on the illegal maltreatment and persecution of women, and ensure that criminal elements are punished according to the law. Such actions in themselves help build spiritual civilization in a practical way.

3. LEARN FROM, AND CATCH UP WITH, THE ADVANCED WITH PRACTICAL ACTIONS. In recent years many advanced women have emerged in every field in China. They have played great roles in taking the lead, stimulating and encouraging the masses. For example, Wang Guirong, former young conductress of the No 1 trolley-bus park in Beijing, had an extraordinary work performance at an ordinary post. She regarded each passenger as someone dear, serving them heart and soul. She persisted in her work even when she was suffering from cancer. She never forgot about her work even when she was in the hospital.



All those who have learned about her deeds have been deeply moved. Not long ago, the CYL Central Committee, the Ministry of Commerce, and the Ministry of Urban and Rural Construction and Environmental Protection jointly called on young people working in the "window" trades to learn from Comrade Wang Guirong. Ouyang Rongchun, former woman worker of the No 2 Textile Mill, Fushun, was an outstanding representative in the industrial field. With a high sense of responsibility toward the country, she feared no hardship and worked diligently. She was determined "to be a textile worker all her life," and "never missed a day's work in 10 years." Her motto was "life's value lies in one's contribution to the state." Even when seriously ill, she persisted in her work, fighting stubbornly against her disease. She did nothing earthshaking during her lifetime. However, her mental state of linking closely the realization of magnificent ideals with her work performance in her short life has left us a brilliant example. The Fushun City CPC Committee has recognized her retroactively, naming her a full member of the CPC, while the Fushun City CYL Committee has named her a model CYL member.

The noble ideals and exemplary actions of such progressive people reveal the orientation of our present march of times. Progressive people are pathfinders and guides in the building of the two civilizations. They should be respected and protected in the society. Regrettably, progressive people in some localities and units are now being mocked at, satirized, repressed, attacked, and isolated. This is not right. On New Year's Day 1986, I visited labor models Yang Huaiyuan and Zheng Yaqin in Shanghai. On the eve of the Spring Festival, together with the responsible comrades of such mass organizations as the Federation of Trade Unions, the CYL, and the Women's Federation, we held a discussion with nearly 30 progressive people from the communications and transportation, finance and trade, environmental protection and public health, and post and telecommunications systems. I observed from their speeches their lofty mental state. For years, these exemplary progressive people have been at the party's beck and call; they have always been the first to endure hardship, the last to enjoy pleasure. They are precisely models in linking closely the magnificent ideals of communism with their work performance. We women must learn from them. The Federation of Trade Unions, the CYL, and the Women's Federation at all levels must commend the exemplary feats of such people, talk about their historical roles and contributions in a big way, and support, bring up, and protect such people with a clear-cut stand, under the leadership of party committees and governments at all levels. The essence of doing this is precisely to foster righteousness, to deal blows at even influences, to promote a basic turn for the better in the social atmosphere, and to accelerate the building of the two civilizations.

Communism is the loftiest and greatest ideal of mankind; however, it will not come true without women striving for it. The cause of communism belongs to millions upon millions of people, but it is impossible to complete the mansion of communism without joint efforts from thousands of different posts. Sisters, let us combine closely the realization of the magnificent ideals of communism with our work performance, continuously improve ourselves, blaze new trails, and march forward on the road to the realization of our ideals!

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BE A STAUNCH GUARD UPHOLDING PARTY RULES AND DISCIPLINE

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[Article by Qiang Xiaochu [1730 2556 0443]]

[Text] It Is Necessary To Have a Strong Sense of Urgency and Unwavering Resolve in Straightening Out the Unhealthy Trends

A central leading comrade pointed out that in building the four modernizations, we must grasp things with both hands: One hand must grasp the construction of material civilization, while the other must grasp the construction of spiritual civilization. The latter includes ideological and political work and legislative work. It is necessary to take vigorous measures to check all kinds of unhealthy trends by handling major and important cases so as to achieve a fundamental turn for the better in the party style and social mood and maintain the political situation of stability and unity. If the party style and social mood continue to deteriorate, our socialist economic construction will not be able to succeed, because the deterioration in the mentality will lead to the deterioration of the entire economy. Therefore, it is necessary to have a strong sense of urgency and unwavering resolve in straightening out the current serious unhealthy trends.

The central authorities decided that the work of straightening out the party style should be started with the central organs, urging the central party, government, and army organs to set a good example for the whole nation with their real actions. This is an inspiration to the whole party and support for our discipline inspection work, which will spur us on. At present the problem is that our discipline inspection cadres must have further initiative, do less talking and more actual work, and take effective measures to implement this decision so as to keep pace with the arrangements and demands of the CPC Central Committee.

At present it is necessary to carry out a serious and careful examination of the problems concerning style in our own units and system on the basis of conscientiously studying and comprehending the spirit of the central authorities and unifying our thought. The main contents of the examination are unhealthy trends in the six fields pointed out by the general offices of the CPC Central Committee and the State Council, with the emphasis on the problem of taking advantage of one's power to seek private interests and

on bureaucratism. It is necessary to make a thorough examination of the main problems and correct them in light of the realities in our units and for ourselves, rather than evading problems or covering them up. It is necessary to find out the root causes and harm of all kinds of unhealthy trends, realistically sum up our experiences and lessons, and work out relevant regulations and rules so that our achievements may be enhanced. The work of comparison and examination should be started with the leading organs and leading cadres. The leading cadres must set a good example in straightening out the unhealthy cadres. The leading cadres must set a good example in straightening out the unhealthy trends. They must go deep into the realities, among the masses, and down to the units which have been seriously affected by the unhealthy trends to discover and solve the problems there in a timely manner. It is necessary to overcome formalism and prevent doing things perfunctorily or superficially.

The most urgent task is to concentrate forces for investigating and dealing with major and important cases. In the coming period we must get a good grasp of dealing with a number of typical cases that have done great harm and had a great impact and publicize to the masses, so as to achieve the result of striking one to warn a hundred, educating the masses, striking fear into bad people, and promoting uprightness and crushing malpractices. The discipline inspection departments at all levels must arrange the major and important cases in their own departments and systems in order of priority, determine the focal points and the most important cases, and handle them in order to importance. It is necessary to map out responsibility systems regarding major and important cases that have already been determined, get a relentless grasp on them, resist "intercessions," break down the "networks of relationships," clear away all interference, and grasp the work to the end. We must certainly not permit the practice of making a fine start and a poor finish, and still less can we delay things and miss the chance.

It is necessary to grasp the problem of "the trend of running businesses," which has caused a strong reaction among the masses. We must take stock of and sort out the companies and "centers" organized by our units and systems over the past year and more. First, we must find out how many companies, "centers," and firms have been established, which units or persons gave approval, and whether they are legally licensed, so that we may know about the situation fairly well. Second, we must discover the sources of their funds and how they have used them, to see whether they have followed state regulations. Third, we must find out whether their business policies are in line with our state policies. Fourth, we must find out whether there are any problems in their leading bodies and main leaders. Finally, we must carry out reorganization of some of them, halt their operations, amalgamate, or abolish them, as appropriate. We must certainly not allow those "briefcase companies" and "firms" without either capital or commodities to engage in illegal activities such as speculation, bribery and corruption, profiteering, and swindling. It is particularly necessary to point out that the sons and daughters of some senior cadres have quit their jobs and, disregarding public opinion and social influences, taken the post of chairman or manager in these companies and firms in order to seek personal benefits. They must awaken as soon as possible and consciously avoid taking part in this type of

commercial activity, because the painful lessons of being cheated and taken advantage of by others are profound enough in this respect, to the point of consciously or unconsciously wallowing in the mire and falling into the hands of the law with them! This has a bad impact on the party's prestige and on the reputation of the older generation of revolutionaries, including their own parents.

Our party always does what it says. Now that the CPC Central Committee has made up its mind and the whole party has been mobilized to fight for a fundamental turn for the better in the party style, we will surely clear away all kinds of obstacles, overcome all kinds of difficulties, and achieve the expected goal through hard work. We must have full confidence in this respect.

#### Iron Discipline Is Necessary for Upholding Party Rules and Regulations

Iron discipline is an important guarantee for straightening out the unhealthy trends and successfully carrying out the construction of the two civilizations.

At present the phenomena of weakness and laxity as well as poor discipline exist in party organizations of some areas and departments, including the discipline inspection organization. In a small number of units and departments, the phenomenon of disregarding organization and discipline have become very serious. They have replaced the law with their power, not observing laws and investigating cases of violating laws, or even violating laws themselves while enforcing them. There are many reasons for all this, but a very important reason is that on the question of enforcing law and discipline, we acted too softly and leniently and dealt out excessively light punishments in certain cases and to certain individuals, resulting in a few lawbreakers becoming audacious in the extreme in committing crime after crime. Uprightness cannot be thus promoted, and malpractices cannot be arrested. These profound experiences and lessons tell us that we must be strict in running the party as well as in enforcing discipline and law and that we must have iron discipline. Only thus can we attain our purpose of saving the lawbreakers, making them "draw a lesson from the bitter experience," and educating the others. The party's discipline inspection organs are the law enforcement agencies within the party. We must faithfully carry out our sacred duty, persistently prosecute violations of discipline and law, and be strict in enforcing discipline and law. No matter which unit, area, or person it is that violates law and discipline, apart from acting with impartiality in dealing with the matter according to law, it is also necessary to hold accountable the party committee of that unit, including the discipline inspection commission. Only thus can we curb unhealthy trends and preserve and develop the political situation of stability and unity, enabling our country to enjoy a long period of peace.

#### Be Mentally Prepared To Fight Long-Term Battles in Straightening Out Party Style

Straightening out party style is a long-term political task that cannot be done overnight. There cannot be a permanent solution for rectifying the

unhealthy trends within the party. When some existing problems are solved, in line with the development of the situation, some new problems will emerge. When one trend is checked, another trend may appear. In the socialist stage, all kinds of nonproletarian ideologies will certainly attack our party and corrupt our party members, cadres, and people. Therefore, we must make unremitting efforts to straighten out the unhealthy trends year after year so that their harm and influence may be reduced to a minimum.

In the past, whenever our party grasped the matter firmly and did a comparatively good job in ideological and political work, our party style was better and there were less problems. If such was not the case, there were more problems and the party style became worse. This can be regarded as a rule. In the preceding period, since some units and departments neglected the construction of spiritual civilization and the education about ideals and discipline for the party members, some people failed to resist the corrosive influence of the bourgeois ideology and style. Tempted by "looking for money in all things," they followed a wrong path and became involved in unhealthy trends. After we took vigorous measures against the unhealthy trends, the situation greatly improved. However, as we slackened our efforts in this respect later and did not investigate and deal with the major and important cases in good time, especially since we did not use some typical cases as negative examples to carry out education in party spirit, party style, and party discipline, the unhealthy trends gained ground again. In light of this, the central authorities called on the whole party to take action and grasp the matter level by level to achieve a fundamental turn for the better in party style. Our experience shows that under no circumstances should we neglect the construction of spiritual civilization and slacken our efforts in ideological and political work or in straightening out the unhealthy trends, otherwise, achieving a fundamental turn for the better in party style will become but empty talk.

#### Leading Cadres at All Levels Should Be Strong Sentries Guarding Party Rules and Discipline

The attitude taken by a party-member cadre, especially a leading cadre, toward straightening out party style is an important criterion for judging his party spirit. Why have some localities not implemented the repeated injunctions of the central authorities? There are mainly the following three reasons:

1. Liberalism in the political field: Some leading comrades close their eyes to the unhealthy trends and acts of violating law and discipline and allow them to exist and develop unchecked, "saying as little as possible while knowing perfectly well what is wrong." Some other leading comrades are often weak and incompetent in treating matters concerning right and wrong. They have disarmed themselves ideologically and thus lost their fighting strength. They have substituted party spirit with personal feeling and principles with personal relationships. They often turn big problems into small problems and small problems into no problem at all if the persons involved are their superiors, subordinates, colleagues, or friends. They usually treat leniently the cases involving their friends and cadres at



higher levels, while treating strictly those involving other people. Their logic is: "More friends, more channels"; "things can be done easily when there are more relationships." This kind of bourgeois philistinism and vulgar style are typical expressions of losing party spirit and principles.

2. Bureaucratism characterized by irresponsibility: Some people regard themselves as lords and masters and always stand high above the masses. Indulging themselves with mountains of documents and seas of meetings or conducting leadership by drawing red circles, they seldom go down to the grass-roots units or immerse themselves among the masses. Even when they go down to the grass-roots units, they just make some superficial investigations and gain some superficial understandings through cursory observation, but fail to see the new situation and solve the new problems. They are not even aware of the unhealthy trends in their own units and systems. They are flabbergasted when the problems have piled up and are exposed to the light of day! Bureaucratism of this kind provides lawbreakers with conditions to commit crimes and enables them to exploit the advantage of our reform and our policy of opening up to the outside world and enlivening the domestic economy. The result is that bureaucratism covers up the unhealthy trends, and the unhealthy trends make use of bureaucratism. Therefore, we must resolutely overcome bureaucratism, especially stubborn bureaucratism and bureaucratism characterized by dereliction of duty.

3. Individualism characterized by taking advantage of one's power to seek private gain: In our ranks, there are actually a small number of party members, even some veteran cadres holding leadership posts, who were people's heroes during the war period, but who are unable to resist the corrosive influence of bourgeois ideology in the period of peaceful construction. They have been hit by the sugar-coated bullets of the bourgeoisie and thrown away all their ideals, discipline, and the purpose of serving the people heart and soul, desiring only personal fame and gain. They have gone all out to engage in the unhealthy trends. Some have even seriously violated party discipline and state laws. Why are there so many malpractices in certain units and systems, and why do they drag on without being resolved or corrected? A very important reason is that "the upper beams are not straight" there. How can malpractices in the lower levels be stopped if the leading cadres of a unit are blinded by greed, "seek money in everything," and forget all principles when they smell profit?

In order to solve these three problems, it is first necessary to carry out education and sharp criticism so that the erring people will have no choice but to examine their problems due to the great pressure of public opinion. Second, it is necessary to strictly enforce law and discipline. Those who should be dismissed from their posts or expelled from the party should be dismissed or expelled, while those who have committed crimes should be arrested and punished according to the law. It is necessary to "severely punish the corrupt and evil in accordance with the law" rather than tolerating them and leaving troubles for the future. Our leading cadres at all levels, especially discipline inspection cadres, must enhance their party spirit, faithfully discharge their duties, and correct themselves before correcting the others in the struggle against the unhealthy trends

and lawbreakers. They must dare to tackle tough problems and to touch the tiger's flanks, ignore private feelings, be impartial and incorruptible in their dealings, and be good examples in straightening out the party style and strong sentries guarding party rules and discipline.

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A REVOLUTIONARY WHO SPANNED TWO CENTURIES--PREFACE TO 'BIOGRAPHY OF LIN BOQU'

Beijing RED FLAG in Chinese No 5, 1 Mar 86 pp 11-14

[Article by Wang Zhen [3769 7201]]

[Text] Comrade Lin Boqu was one of the outstanding leaders of the CPC and the PRC and an outstanding proletarian revolutionary and statesman. Beginning from the end of the 19th century, when he was still very young, he devoted himself to the great revolutionary cause of the Chinese people. He was not only a hero in the founding of the Republic of China, but also a founder of the People's Republic of China. He rendered immortal contributions to the Chinese democratic revolution, socialist revolution, and socialist construction.

During my childhood, he was already a well-known figure and a famous member of the Revolutionary Party. The first time I saw him was in January 1934 when I attended the Second Workers and Peasants' Representatives Conference of the Soviet Republic of China as a representative of the Hunan-Jiangxi Soviet Area, and he made an unforgettable impression on me. At that time, Lin Boqu was already a leader of our party and government, holding the post of financial minister of the Provisional Central Government of the Chinese Soviet. Before the meeting, he asked us about the situation of the Hunan-Jiangxi Soviet Area. Then he delivered a speech on "economic construction" at the meeting. After the meeting, he told me why he was so eager to come back from the Soviet Union to join the struggle and encouraged me to persist in struggle after going back to the Soviet area. I learned a great deal from both his report and private talk. Although he was only in his forties at that time, his hair had already turned gray and he was called "our revered Comrade Lin."

In 1936 when the three main strengths of the Red Army joined forces in northern Shaanxi, I met Comrade Lin Boqu again. During the war of resistance against Japan, the KMT launched its full anticommunist onslaught. In 1939, the 359th Brigade was transferred to the Shaanxi-Gansu-Ningxia border area from the Shanxi-Chahar-Hebei border area. At that time I was commissioner of the Suide Region, and later secretary of the Yanan Prefectural CPC Committee, commander of the Yanan Garrison Command, and commander of the garrison headquarters. I began to have more and more contacts with Comrade Lin Boqu. As I worked under his leadership and often listened to his



teaching, I had greater esteem for this veteran revolutionary who had a noble mind and moral integrity.

The fighting career of Comrade Lin Boqu is closely related with the history of the Chinese revolution during this period. In his youth, seeing that foreign powers had continuously bullied and humiliated China due to the corruption and incompetence of the Qing Court, he strongly hoped that "the country will be made rich and the army be strengthened." He was in favor of the constitutional reform and modernization movement. After the movement failed, Kang Youwei and others became a royalist faction and Comrade Lin Boqu went eastward to Japan. There he became acquainted with Huang Xing, Song Jiaoren, Cai E, Liao Zhongkai, He Xiangning, Zhu Zhixin, and other revolutionaries. In August 1905, after listening to a lecture by Dr Sun Yat-sen in Japan, he joined the Chinese Revolutionary League. Then he carried out his revolutionary activities in Shanghai, Hunan, Hubei, and the three northeastern provinces. The 1911 Revolution overthrew the Qing Dynasty. After that, the Republic of China was founded. However, the fruit of the revolution was soon usurped by the warlord Yuan Shikai. Lin Boqu immediately threw himself into the struggle against the Yuan and the war to protect the Constitution, opposing the feudal warlords' attempt to restore autocratic monarchy in collaboration with foreign powers and maintaining the Provincial Constitution drawn up in the first year of the Republic of China. He continued to follow Dr Sun Yat-sen in continuing the revolutionary struggle.

After the failure of the 1911 Revolution, like many other revolutionaries at that time, Comrade Lin Boqu "often felt vexed" because of the successive failures of the revolution and the political future that was difficult to predict. "The salvoes of the October Revolution brought us Marxism-Leninism." Influenced by his good friend Comrade Li Dazhao, Comrade Lin Boqu, a radical democrat, soon became a Marxist. He joined the Communist Group in Shanghai in January 1921 and thus became one of the earliest members of the CPC. Dong Biwu and Wu Yuzhang, his old friends in the Chinese Revolutionary League, also joined the CPC in this period.

After joining the CPC, Comrade Lin Boqu still retained his KMT membership. He was one of the CPC leaders who helped Dr Sun Yat-sen to reorganize the KMT at that time. He participated in most meetings of Dr Sun Yat-sen with Chen Duxiu and Li Dazhao as well as Maring, the representative of the Communist Internationale in China, and Joffe, the representative of the Soviet Government. He also directly or indirectly helped many communists join the KMT. He did not only help Dr Sun Yat-sen reorganize the KMT, making it a revolutionary alliance of the workers, peasants, petty bourgeoisie, and national bourgeoisie, but also made unremitting efforts to safeguard Dr Sun Yat-sen's new three people's principles and the three great policies of alliance with Russia, cooperation with the Communist Party, and assistance to the peasants and workers, while carrying out resolute struggles against those who opposed and ran counter to the new three people's principles and the three great policies.

Throughout his life, Comrade Lin Boqu always followed the tide of the revolution and kept pace with the development of the times, "casting away all those things which are doomed to perish without the least hesitation." After the failure of the 1911 Revolution, many Revolutionary Party members felt disheartened and depressed. Some of them even followed the feudal warlords and became their officials. But Comrade Lin Boqu unhesitatingly joined the Chinese Revolutionary Party and continued the revolutionary struggle. After the first KMT-CPC cooperation broke down, some people advised him to break away from the CPC, but he resolutely refused and persisted in taking his own road. He then took part in the Nanchang Uprising. At the critical moment when the Chinese revolution suffered great setbacks due to Wang Ming's "leftist" mistakes, he determinedly embarked on the road of the Long March. He firmly supported Comrade Mao Zedong's correct stand and leadership and the party's policy on marching northward to fight the Japanese aggressors, and opposed Zhang Guotao's split to the right. In all inner-party struggles, Comrade Lin Boqu always stood on the correct side and, with a clear-cut stand, adhered to the party's principles, safeguarded the party's interests, and fought for the unity of the party. When Lin Boqu died, Comrade Chen Yi wrote a memorial poem for him, praising him as "a hero always upholding the correct line in his glorious revolutionary career." He really deserved this appraisal.

Comrade Lin Boqu devoted all his life to the Chinese people's liberation cause. His contributions to the Chinese revolution and construction covered a wide range of fields, especially the fields of the revolutionary united front, financial work, and state administration.

Comrade Lin Boqu was one of the organizers of the first KMT-CPC cooperation and an active advocator of the second KMT-CPC cooperation. In long-term united front work, he adhered to the party's policy on carrying out struggle while cooperating with the KMT and established broad contacts with large numbers of patriotic and democratic people. He showed a great respect for the patriotic and democratic people and intellectuals outside the party, always treated them openheartedly and earnestly, and showed great concern for their political progress and daily life. He never forgot those who had made contributions to the Chinese people's liberation cause. Therefore, many democratic people regarded him as an affable elder and reliable friend and liked to talk with him whenever they had any problems.

As an old member of the Chinese Revolutionary League and the KMT, Comrade Lin Boqu had great esteem for Dr Sun Yat-sen throughout his life and maintained profound friendship with Soong Ching-ling and He Xiangning. Moreover, even in his later years, he still cherished the memory of many old friends in Taiwan and in other countries. In 1958 at a ceremony held in Beijing's Biyun Monastery to commemorate Dr Sun Yat-sen's 92d birthday, he talked with He Xiangning and Li Jishen. When they talked about Yu You-jen, one of the KMT founders who had written a poem in Taiwan cherishing the memory of his old friends on the mainland, he showed deep sympathy and concern for him. In his poem Yu You-jen wrote: "Trees around the Sun Yat-sen Mausoleum are growing older year by year; the gravesweeper has hoary head." Comrade Lin Boqu used the same rhyme of these verses and wrote a poem in reply: "Despite

the hoary head of the gravesweeper, trees around the Sun Yat-sen Mausoleum are still green; old friends from Whampoa are still living and in good health, recalling past days in the same storm-tossed boat." He hoped that his old friends in Taiwan would unite with the people of our motherland under the trees around the Sun Yat-sen Mausoleum.

Comrade Lin Boqu studied economics in Japan. He also studied financial science, bookkeeping, and statistics. During the war to protect the Constitution, he was in charge of the financial department of Hunan Province. In the period of the great revolution, he was a member of the financial committee of the KMT Central Executive Committee. Later, he continued to engage in financial work and the army's supply work during the Nanchang Uprising, in the Central Soviet Area, on the Long March, and in the early Northern Shaanxi period. After the war of resistance against Japan broke out, he was chairman of the Shaanxi-Gansu-Ningxia border region and concurrently financial and economic minister of the central government and chairman of the Central Financial and Economic Commission. He also engaged in united front work in Xian. In the long-term economic work, he accumulated very rich experiences. Particularly when he was in the Shaanxi-Gansu-Ningxia border region, he resolutely implemented Chairman Mao's instructions on self-reliance, promoting production, and ensuring supply, and rendered many outstanding contributions in this field. He also trained a large number of financial cadres for our party and state.

At that time, our revered Comrade Lin often emphasized the importance of being industrious and frugal, promoting production, and showing concern for and improving the people's livelihood. He said that only when production is promoted can we solve the economic and financial problems. It is necessary to exercise patience in doing mass work and to show concern for the people's livelihood. He advocated the principles of "to give in order to get" and "what is taken from the people is used in the interests of the people." On the development of production, he held that "the key lies in capital (referring to funds) and technology." In regard to funds, he said that it is necessary to "help transfer the idle funds among the people into profitable private or jointly owned enterprises. It is particularly necessary to do our best to obtain as much as possible capital from outside the border region so that it may be invested in profitable industrial construction of the border region. They may establish private firms in our region or run joint ventures with the regional government, and all these enterprises should be protected by law and given all possible assistance." In regard to technology, apart from making continuous efforts to arouse the enthusiasm and creativity of the workers and technicians, "it is necessary to make the greatest possible efforts to win over science and technical personnel of various fields outside the border region and encourage them to take part in the industrial and agricultural construction of the border region. When they come to our region, they should be given necessary preferential treatment." These opinions are still of great significance even to this day.

During the great production movement, Chairman Mao Zedong and Commander in Chief Zhu De put forth the policy of opening up wasteland. While shouldering

the task of defending Yanan, the 359th Brigade then went to Nanniwan to open up wasteland there. The first person who went there was none other than our revered Comrade Lin. In 1943, with the gifts presented by the regional government, our revered Comrade Lin went to Nanniwan again to salute the soldiers reclaiming the land. In a speech to the soldiers he said: "The 8th Route Army is an invincible army. It is capable of capturing weapons from the Japanese aggressors to arm itself. It is also capable of conquering nature and obtaining ample food and clothing through its own efforts." His speech greatly encouraged the fighters and commanders.

Comrade Lin Boqu engaged in government work since the period of the Central Soviet Area. Later he was chairman of the Shaanxi-Gansu-Ningxia Border Regional Government for a long time. During the initial postliberation period, he was secretary-general of the central people's government. He made a great deal of contributions to the construction of state power. He was a good example in many fields, such as in correctly handling the relations between party and government, in adhering to party leadership while giving play to the role of various government departments, and in winning over and uniting with nonparty figures and making their power suit their posts. Although at that time, the Shaanxi-Gansu-Ningxia Border Regional Government was a local government in name, since Yanan was where the CPC Central Committee located and the KMT refused to recognize various anti-Japanese democratic governments behind the enemy lines, it was in reality the headquarters of various anti-Japanese base areas. Many measures it adopted in the economic, political, cultural, and educational fields had a great influence on the anti-Japanese base areas behind the enemy lines. In fact, many good traditions in our state administration, such as serving the people, are inseparable from the good styles established by Comrade Lin Boqu through painstaking labor in those years.

Apart from his outstanding contributions to the Chinese people's liberation cause, Comrade Lin Boqu was also a man of noble morality.

For a long time, Comrade Lin Boqu maintained the good style of keeping close to the masses and the style of hard work and plain living. In Yanan, he often traveled across mountains and rivers to carry out investigations and studies in various counties. Every time he came back from Xian or Chongqing, he would take a walking stick and go visit the cave dwellings and have cordial conversations with the comrades in order to find out about the situation and discuss work problems. In his later years, although he was very weak, he still attended to his duties in spite of illness. He traveled the length and breadth of the whole country to find out about the real situation, to experience and observe the hardships of the people, and to make suggestions for improving work. In his diary, he wrote in neat handwriting 10 Chinese characters meaning "serve the people and work for the world," and even affixed his seal to it, taking it as his motto.

Comrade Lin Boqu showed great concern for his comrades and cadres and attached great importance to experts, scholars, and intellectuals. He knew his subordinates well enough to assign them suitable jobs and always appointed people on their merits. He emphasized that it is necessary to



judge a person by the whole of his work and his history rather than by a single act or a short period of his life. When his comrades had difficulties in their work, he always went to their aid. When they made progress in thinking and made achievements in work, he enthusiastically encouraged them. When they had shortcomings or mistakes, he earnestly helped them or seriously criticized them. He often said: "A good sweat will cure a cold." He also emphasized that the cadres should study Marxism-Leninism and Comrade Mao Zedong's work and encouraged intellectual cadres to go deep into the realities of life and integrate themselves with the masses of workers and peasants, while encouraging the cadres of worker-peasant origin to acquire cultural and scientific knowledge. He held that it is necessary to "carry out theoretical training for the cadres of worker-peasant origin and examine their work" rather than "blindly and indiscriminately flattering them as Zhang Guotao has done." At that time, many people regarded our revered Comrade Lin as their venerable elder and good teacher.

Comrade Lin Boqu was open and aboveboard throughout his life. He never concealed his own shortcomings and welcomed criticism from both inside and outside the party. An ancient saying goes: "A man who is open-minded is always happy." In his personal life, he was always simple and frugal. Even in Beijing, he still maintained the old traditions of the Yanan period.

Comrade Lin Boqu had great learning. He was a statesman, a scholar, and a poet. Comrade Mao Zedong once said that he was a great intellectual with great learning. He was very studious and always had a book in hand. He was especially studious on the works of Marxism. On the occasion of his 60th birthday, he still asked Chairman Mao Zedong for advice: "How should a person like myself study?" Comrade Mao Zedong replied: "In the final analysis, I feel that there are still the three old problems. Veteran party members like you and me still should endeavor to solve the problems concerning stand, viewpoint, and method. When we study Marxism-Leninism, the main purpose is to acquire a correct stand, viewpoint, and method for analyzing and solving problems." Comrade Lin Boqu attached great importance to this teaching of Comrade Mao Zedong and often told his comrades about it. In his speech at the Eighth CPC National Congress, he continued to emphasize the question of studying Marxism-Leninism. He said: "Combining Marxism-Leninism with China's revolutionary practice was very important during the bourgeois democratic revolution in the past; it is also very important at present in the socialist revolution." Subjectivism, "which made us suffer defeat during the democratic revolution, can also make us suffer serious setbacks in the current socialist revolution." "Only when more and more people in our ranks have gained a real understanding of Marxism-Leninism and are able to apply it skillfully can we say that our socialist construction has a reliable guarantee."

In order to commemorate Comrade Lin Boqu's 100th birthday and emulate his noble morality, the compiling group for the "Biography of Lin Boqu" has gathered a vast amount of historical materials and finished the book. By closely relating it to the rugged path of the Chinese revolution and concentrating on the key points, it makes a general depiction of the glorious and fighting career of our revered Comrade Lin and his outstanding

contributions to the Chinese revolution. It also makes a particular description of his morality and style. From this we can see the path of his growth from a mere scholar to a leader of our party and state and to an outstanding proletarian revolutionary and statesman. From his fighting career, we can also gain a better understanding of the truth that without the Communist Party there would be no new China and that only socialism can save China. I think the publication of this book will be of some benefit to youths, cadres, and historical workers.

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## STUDY THE LEGAL THINKING OF COMRADE DONG BIWU

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[Article by Yang Ruiguang [2799 3843 1639]]

[Text] The fifth of May this year will be the 100th anniversary of the birth of Comrade Dong Biwu. During a revolutionary career stretching over more than 60 years, Comrade Dong twice went to Japan to study law. When he returned to China, he practiced law for a time while plunging into the revolutionary movement. During the period of the new democratic revolution and the initial period of the founding of the PRC, for a long time he had charge of the party's and government's work related to the legal system. As he had a profound mastery of Marxist-Leninist theory and wealth of legal experience and was conversant with all laws, foreign or Chinese and past or present, he had pithy opinions on the science of law which stand the test of history and he could be regarded as a Marxist jurist. Today, the CPC Central Committee has called on the whole party to simultaneously grasp construction and legal system; therefore, when we study Comrade Dong's words on legal system, we will better understand their value.

Revolutionary Legal System Is the Most Important Tool in Consolidating the People's Democratic Dictatorship and Safeguarding Our Economic Construction

Comrade Dong always stressed the tremendous role of the revolutionary legal system in consolidating our people's democratic dictatorship and safeguarding economic construction. He likewise stressed the extremely great importance in establishing and perfecting our revolutionary legal system in each process of the development of our revolution and construction.

1. The revolutionary legal system is the sharpest weapon in the fight against counterrevolutionaries and consolidating our people's democratic dictatorship.

As far back as in October 1948 when the people's liberation war entered the period of decisive battles, Comrade Dong gave two speeches respectively at the inauguration meeting of the Huabei People's Government and the symposium on people's state power, in which he solemnly declared: After the establishment of a regular government, we must overcome guerrilla habits. We should not rely merely on our conscience and memory in doing our work, but

must first establish a set of regular laws, decrees, rules and regulations in light of the interests of the proletariat and the vast number of laboring people. He added: Without these, it is impossible to maintain the new order; without rules or discipline, it is certainly impossible to do our work well.

Just after the PRC was founded, he was concurrently vice premier of the Government Administration Council and chairman of the Political and Legal Commission and faced the heavy tasks of establishing a democratic government and a revolutionary legal system. At the first national judicial work conference in 1950, he further stressed the important role of the work related to the revolutionary legal system. He said that once a society is freed from the influence of the war, the judicial and public security work becomes the most important tool in the hands of the people's state in fighting against counterrevolutionaries and maintaining social order.

2. The revolutionary system is of decisive significance in safeguarding our economic construction. If we think that economic work is everything, we will make a very great political mistake.

In 1953, our country entered a new period of socialist transformation and construction and economic construction became the key link in our work. At that time, to counter the ideas of some cadres of the state organs who thought that economic construction was everything and who neglected the establishment of a revolutionary legal system, Comrade Dong repeatedly expounded the view that we must strengthen the construction of our revolutionary legal system in order to ensure the smooth progress of our economic construction. He pointed out: "The revolutionary legal system is of decisive significance in maintaining the revolutionary order, consolidating the people's democratic dictatorship, protecting people's democratic rights and legitimate interests, and safeguarding the state's economic construction." ("On Socialist Democracy and Legal System," p 101) He held: As the period of large-scale planned economic construction approaches, the task of our political and legal work will be even more arduous and heavy. On the one hand, we have to continue to severely repress counterrevolutionary sabotage, and on the other hand, we should also mete out legal punishment to other criminals who have undermined the construction of our country and the people's democratic order.

How are we to ensure the smooth progress of our economic construction by our legal work? Comrade Dong held that we had to strengthen the education in observing laws and labor discipline among all the workers in our state organs and all our citizens and gradually heighten all people's consciousness in observing law and discipline. We should gradually perfect our legislation and formulate necessary laws. We should continue to fight against crimes of graft and embezzlement of state property and punish the culprits according to the law. We should mete out due punishment to those who are guilty of serious waste. We must strictly investigate and affix the responsibility for major accidents due to negligence and oppose the practice of wrongly classifying accidents which occur due to negligence. In his article entitled "Continue To Strengthen Our Political and Legal Work in the Period of Economic



Construction," he pointed out: "If we do not have a powerful state machinery of the people's democratic dictatorship, if we are engrossed in our economic work and carried away by the victory in our economic construction," "if we forget that there are still counterrevolutionaries who will carry out sabotage, if we forget that in the socialist transformation in the future, there will be complicated class struggle, and if we think that economic work is everything; then we will be making very serious political mistakes."

3. Only by perfecting our revolutionary legal system and consolidating our legal order can we protect and develop our productive forces. We must pay close attention to eliminating the malpractice of paying no attention to and failing to observe law in our party.

In 1956, our country had already basically completed the socialist transformation of the private ownership of means of production and thus began a new stage in the development of Chinese history. On the one hand, Comrade Dong felt that our country's legal system had made tremendous progress; but on the other hand, he also felt that the development of our legal system fell far short of the demand of the new situation, that it was not complete (in particular, we had not yet formulated our important basic laws such as criminal law, civil law, criminal procedural law, and civil procedural law), and that the existing laws were often not followed. What made him even more anxious was that in our party, long-standing ideas that upheld privilege, that neglected law, and that refused to follow the law continued to exist. If we did not pay close attention to overcoming them, there would be some latent misfortunes. Therefore, in his important speeches to the Eighth CPC National Congress and the conference of the procurators of military procuratorates and presidents of military courts, he systematically and deeply summed up the achievements and problems in the construction of the new China's legal system, pithily analyzed the root causes of the malpractice of overlooking and failing to observe the law in our party, laid further stress on perfecting our revolutionary legal system and consolidated legal order, and proposed the important idea that "following the law in doing our work is a key link in continuing to strengthen our legal system." He said that the state's tasks had already switched from emancipating the productive force to developing and protecting the productive forces; therefore, we must continue to strengthen and perfect the people's democratic legal system in order to continue to defend the people's democracy, consolidate our legal order, safeguard people's democratic rights, protect public property, and even more effectively give play to people's initiative and creativeness. At the same time, we had to continue to purge counterrevolutionaries and combat all illegal and criminal activities in order to ensure the smooth progress of the undertaking of socialist construction. He also stressed: "Our public security departments, procuratorates, courts and all state organs must act in accordance with the law." He exhorted the whole party: "We cannot treat lightly" the practice in our party of failing to attach importance to or observe the state legal system and "we must make an effort to think of a way to overcome it. Maybe it will take a relatively long time to eliminate this practice, but if we fail to adopt effective methods to start eliminating it now and if we delay the efforts to eliminate it till a later time, then it will hinder our construction of socialism even more." ("Selected Works of Dong Biwu," pp 417-418)

## We Should Act According to Our law and Refrain From Conducting Any Mass Movement

As a party and state leader, Comrade Dong Biwu made an important contribution to the construction of our legal system, namely, when there was a radical change in our country's national conditions and key tasks, he promptly and unambiguously put forth the correct view that "our public security departments, procuratorates, courts, and all state organs must act according to the law" and should no longer carry out any mass movement. This was a major practical and theoretical issue that we should have solved in the mid-1950's in the development of our country's socialist revolution and construction.

In January 1954, at the second meeting of the Government Administration Council and the second national procuratorial conference, Comrade Dong pointed out: Compared with the past, in carrying out a planned construction, we are in a better position to act in accordance with our law and generally, we should first formulate a law and then do things in accordance with it. He also said: The situation after the beginning of the economic construction differs from that when we were carrying out movements; therefore, it is even more necessary for the people all over the country and all state workers to strictly observe law and discipline.

In 1956, our country achieved successes in the socialist transformation of the private ownership of means of production and class struggle was no longer the principal contradiction. Comrade Dong began by making a further analysis of the side-effect of mass movements and clearly pointed out the important view that we did not always have to carry out mass movements nor adopt the method of mass movement in eliminating counterrevolutionaries and cracking down on the criminal activities of gangsters. At the national court presidents' conference, Comrade Dong said: Now coercion and commandism are common in our work style. If we do not overcome them, the masses will oppose us and we will become the targets of revolution. In his speech to the eighth national party congress, he also pointed out that mass movements might produce a side product, namely, they might encourage people to look down on all legal systems. At the same time, he also put forth the slogan that we must "have law to follow" and "be sure to follow any law we have formulated." He once more appealed to the whole party: We should quickly formulate the laws that we urgently need including criminal law, civil law, procedural law, and labor laws; we should pay close attention to teaching our party members and masses of people to observe law; we should strengthen our procuratorial work, intensify the division of labor cooperation and mutual restriction between our public security departments, procuratorates and courts; and we should vigorously train public security, political, and legal workers in order to actually implement the principle of working in accordance with the law.

Both the positive and negative experience that we have gained in the nearly 30 years since 1957 proves that when the socialist revolution has already achieved a decisive victory, when the exploiting class has already been wiped out, when all the means of dictatorship and education are firmly in

the hands of the masses of people led by the working class, and when the task of revolution has already switched from emancipating the productive force to protecting and developing the productive force, continuing to regard stormy mass movements as the means to solve social contradictions not only cannot guide the revolution in achieving its victory, but on the contrary, may harm our own people, cause confusion in our own ranks, and even provide our enemy with loopholes to take advantage of, thus causing our revolution and construction to suffer serious setbacks. History has fully proved that Comrade Dong's important idea on acting according to law and refraining from conducting mass movements is a truth of tremendous practical significance.

#### CPC Members Should Set Example in Observing the Law and Must Be Severely Punished When They Have Violated the Law

Comrade Dong always stressed that CPC members had to set an example in observing the law and that they must be severely punished when they violate it. In a series of articles and speeches including one entitled "Lead Government Work Better," he repeatedly stressed this.

1. A CPC member should set an example in observing the law and when he violates the law, he must be severely punished. This is determined by the nature of our party as the vanguard of the working class and the class nature of our law.

Comrade Dong always held: The interests of the masses are precisely where the sole interests of our party lie. The party can have no interests other than those of the masses. Our party is by no means a faction and it can never pursue the interests of a faction or gang of people as Green and Red Gangs did. Putting the interests of the party above everything means putting the interests of the masses above everything. Our people's democratic legal system embodies the will of the masses themselves under the leadership of the working class. Our law is formulated by the state supreme organ of power through strict legislative procedures and is the unity of the party's and people's will. Therefore, by observing the law of state in an exemplary fashion a CPC member is precisely acting to safeguard the party's interests as well as the people's interests and democracy. This is an important yardstick to measure the party spirit of a party member, and is also a touchstone to test the nature of our party. Therefore, he held, "violating state law means violating party discipline" and must be punished by state law and party discipline. Our party is a selfless party. "The party never shields criminals," and "the party is much stricter with its members than non-members." "A nonparty member may innocently violate the law but we party members are enlightened people. When an enlightened person commits a crime, we can by no means forgive him but should punish him more severely. Otherwise, we will not be able to convince our people." He called on the party organizations at all levels to earnestly keep in their minds that "because all over our country its members did not follow the laws and orders promulgated by the government under its leadership, the KMT was hated by the people in our country. We should take warning from this." (Ibid., pp 58-59)

2. The idea that CPC members should set an example in observing the law and must be severely punished when they have violated the law, was put forth in the light of the party's position and role and the reality in our party.

Comrade Dong always held that our party members were advanced elements and had to set an example among the masses and that "we party members must set an example in observing the Constitution and law and lead the masses of people in observing them. If we ourselves fail to observe the Constitution and law, how can we lead the masses in observing them?" (Ibid., p 344) He also held that if our party members failed to observe the law, we would not be able to require the masses to observe the law. Then it would be impossible for us to implement the principle of "being sure to follow all existing laws" and "when not observed, our law will be useless and will play no role." (Ibid., p 452)

Comrade Dong soberly saw that in our party, on the one hand, because of the influence of petit bourgeois anarchic thoughts and the prolonged application of the work method of carrying out mass movements, the habit that regarded law as a form and that held that it was too troublesome to do our work in accordance with the law was fairly much in vogue; on the other hand, a few party members thought that they were privileged and that "the legal system governs only the common people and they are outside the scope governed by the legal system." He was of the opinion that the cadres of state organs failed to observe the law or to work in accordance with the law more frequently than common citizens in the society did. In his speech to the Eighth CPC National Congress, he listed the following incidents of failure to observe the law: Sessions of people's congresses were not held according to the period of time stipulated by the law, deputies to people's congresses were restricted in reflecting the voice of the masses or dismissed without legal procedures; the functions of our party and government were not separated and party committees often took on the work of state organs; quite a few localities and departments had violated the law and discipline, encroached on people's democratic rights, and resorted to coercion and commandism; economic organs failed to carry out their contracts; and some areas failed to arrest offenders in accordance with the procedures stipulated by our law, refused defendants the right to defend themselves and to appeal, and maltreated prisoners. Comrade Dong also held that the "problems will be even more serious" when party members and government workers violated the law. This would cause greater harm than the violation of law by non-party members and ordinary citizens. Therefore, he stressed that in order to really "act in accordance with the law," we "must investigate and affix the legal responsibility of anybody who has deliberately violated the law, no matter how high his position is and no matter how great his past contribution was." (Ibid., p 419) He pointed out: We should not "forgive offenders because of their contribution in the past," because "this was a practice by which feudal rulers deceived the masses of people." ("Improve Administration of Law") Grafters among party members must be more severely punished. "Legal punishment should be meted out to them in addition to party disciplinary punishment." "Only by so doing can we reduce or even eliminate graft. Otherwise, preventing graft will become empty talk." ("Selected Works of Dong Biwu," p 171)

Comrade Dong put forth the idea that on the one hand we had to teach our party members to become models in observing the law, and on the other hand, we had to severely punish the party members who had violated the law. By so doing we would grasp the key to solving the most important problem in being sure to follow all existing law and acting in accordance with the law. Both our historical and current experience has proved to us that if we fail to be severe in punishing, according to our law, the party members, in particular, responsible party cadres, who have violated the law, if we merely tell them to make self-criticism instead of holding them legally responsible or if we substitute an administrative punishment for a legal one or mete out light punishment for serious offenses; then we will harm the party, the people, and the country rather than showing loving care for our party members and cadres. Only by punishing them severely in accordance with the law can we facilitate putting an end to corruption, safeguarding the dignity of the state's legal system, and eliminating the practice of attaching no importance to and failing to observe the law of the state.

Comrade Dong Biwu's views on our legal system are rich and profound in content and characterized by continuity, a clear-cut stand, and creativeness. We feel happy that since the 3d Plenary Session of the 11th CPC Central Committee, the party and state and the judicial circles have universally attached importance to his ideas on legal system and the series of correct opinions that he put forth. Following the publication of "Selected Works of Dong Biwu," "Collection of Dong Biwu's Political and Legal Articles" will soon come off the press. We should conscientiously study and master Comrade Dong's ideas on legal system, resolutely implement the CPC Central Committee's important principle on simultaneously grasping our construction and legal system, promote, with our actual deeds, the development of our socialist legal system, and help bring a radical turn for the better to our party style and general mood of society.

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## ECONOMIC MECHANISMS AND THE COORDINATION OF REFORMS

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[Article by Wu Jinglian [0702 2417 8834]]

[Text] The discussion of the economic structural reforms in the CPC Central Committee's "Proposal for the Seventh 5-Year Plan for National Economic and Social Development," from beginning to end is permeated with an important idea. That is: All the reform measures must be coordinated. The carrying out of coordinated reforms is closely and indivisibly linked with the concept of establishing economic mechanisms. The aim of coordinating well the reform of the planning systems, pricing systems, financial systems, banking systems, and labor wage systems is to form a set of fine economic mechanisms. This article will discuss the question of the relationship between economic mechanisms and coordinated reforms.

The previously quite uncommon term "economic mechanism" has in recent years gradually become quite widely used. As the economic structural reforms have gradually developed from the rural areas to the cities, in the process of discussing, planning, and actually establishing new economic systems, people have gradually come to realize that the use of this concept "mechanism" is indispensable. However, there are some comrades who feel that "economic mechanism" is a difficult new foreign term, the meaning of which is quite obscure, and thus they do not support the use of this concept. Actually language develops as things develop and also develop as man's understanding becomes deeper. Reforms in science are often first manifested as changes in language. As our economy develops toward a higher and more complex stage, and in the wake of the deepening of the economic structural reforms, the term "mechanism" will see much greater use. When we look at the Central Committee's "Proposal" we see that when it notes the tasks in economic structural reforms during the Seventh 5-Year Plan, it repeatedly uses the term "mechanism."

Saying that "mechanism" is a new word is correct in one respect and incorrect in another. Long ago, people showed that the term "mechanism" has its origin in the ancient Greek word "mechane" which meant tool or machine. That is, it meant a device by which people achieved a certain goal. It was first used in engineering to refer to the structural form and work principles of a tool or machine; for example, the firing mechanism of a cannon or a bow, and so on.

Since the materialists' concept of "man is a machine" became prevalent in the 18th century, this term has been used in biology and medicine, to describe how the various tissues and organs of a biological organism are organically combined and the complications produced by their changes and mutual roles. Economics has only recently borrowed this concept from engineering and biology and it has great value in explaining the economic system as a large machine or a biological organism, realizing its overall function by the mutual roles of its various constituent parts. However, the concept "mechanism" is not a complete stranger to Marxist political economics. In the classic "Das Kapital," this term appears many times. A fellow of the Soviet Union Academy of Sciences has pointed out that the term "mechanism" appears at least 20 times in Marx' works. It is just that in the Chinese translations of Marx' works, it is often translated as "structure" and thus has not received people's full attention.

I must repeat that the increasing use of this concept "mechanism" in socialist economics is clearly a new development. This development is mainly linked with the following two factors:

1. Following the development of the socialist economy, the relations of coordinated division of work between the various parts of the socialist economic system have become daily more all-embracing and closer. The national economy has increasingly become a large, comprehensive, unified system. Research into this large system's structural forms and principles of movement has attracted increasing attention.

The term "mechanism" has the meaning of system or process. We can see from economic history and scientific history that the concept of economic mechanisms and economic systems are both products of modern industry, and have developed in the wake of modern economic development. At the stage when mankind's socioeconomic development was quite low, the structure of economic systems was quite simple and economic processes were not complex. This was especially so in feudal and semifeudal natural economies when the national economy was not an organic combination of units and departments with different functions. Rather, it was a simple reduplication of small villages which basically had the same function and which were all self-sufficient. Marx described it as being "formed from a collection of like numbers, just like a bag of potatoes is composed of individual potatoes within the bag" ("Selected Works of Marx and Engels," Vol 1, p 393), and thus could not form an organic system. At the same time, the horizontal relationships between the various manors were not close and the overall function of the national economy was not brought into play by their mutual roles or coordinated actions. Thus, the concept of mechanisms was very rarely used in economic analysis, especially in macroeconomic analysis. Since the gradual development of modern industry, the situation has changed. Modern economic activities are becoming more complex daily, within the economy coordinated divisions of work exist widely, the links between economic units and departments are being strengthened, and the overall national economy is daily becoming a more organic and complete complex system. The completion of production tasks, and socioeconomic development are not things which an individual unit can realize and they cannot be realized if all units carry

out parallel operations. Rather they are the result of coordinated roles in the overall system. In the early period of socialist construction, the economic structures of all countries were quite simple, and the problems which had to be handled did not touch wide areas. Later, as economic systems became more complex, the resolution of a problem often "involved everybody." Thus research into economic systems and economic mechanisms became daily more important. It is precisely because of this that, since the 1960's works on economics in the Soviet Union, Eastern European, and other socialist countries have increasingly used the term "mechanism."

2. Following the shaking up of the leading position of traditional economic models, the role of various economic parameters and economic levers has become increasingly important. The fixing of economic parameters and their functions and the mechanisms by which economic levers play their mutual roles have also received increasing attention.

According to traditional models, socioeconomic activities, from macro-economic activities to microeconomic activities, are all brought into play in accordance with principles similar to those of the natural economy and through instructions from administrative organs at various levels. The law of value played no regulatory role in enterprises' microeconomic activities. Money and prices to a large degree were only passive reflections of distribution in kind, and were not parameters for determining an enterprise's activities. It appears that the instructions of administrative organs played the decisive role in socioeconomic activities, while objective economic mechanisms were not that important. This was the objective basis on which, for quite a long time, economic mechanisms were not paid due attention in socialist political economics and voluntarist ideas were prevalent. In such an environment, it was very easy for people to confuse the orders of leading organs with objective economic patterns, and to believe that once there was an order putting forward targets to be completed, demands to be met, and standards to be adhered to, all had to be realized in accordance with the intentions of the leading organs. The results, however, were not always as expected. In fact, when objectively the economic mechanisms for realizing these demands did not exist, or when the functional direction of the objective economic mechanisms ran counter to the goals set by the leading organs, these subjective demands could not avoid failure. For example, under the old system, the leading organs repeatedly made calls for intensive production and for the improvement of economic results. However, under this model, what existed was completely the opposite, with the enterprises being impelled to carry out extensive operations and extend and expand economic mechanisms. Thus, these calls often attained few results. The repeated occurrence of this situation gradually caused people to understand that in order to improve the activities of enterprises and of individual laborers, the most important thing was not to put forward demands in respect of "how things should be done," but rather to reform economic management systems, and establish economic mechanisms which enabled people to realize these goals.

The various socialist countries have adopted different forms in their reform of the traditional models. However, the general direction is to develop commodity production and commodity exchange and expand the regulatory role



of the market in enterprises' microeconomic decisionmaking. What is called regulation by market mechanism is not as straight forward and simple as the direct administrative control system noted above, where the upper levels hand down directives in respect of specific economic activities and the lower levels are responsible for implementing them. Rather, it is an overall process by which the commodity producers regulate their own activities in accordance with the supply and demand situation in the market. Initially, the pricing signals on which commodity producers make decisions are formed through the supply and demand ratios and other factors. Afterwards, the various commodity producers make their investment decisions and production decisions in accordance with the pricing parameters. Under socialist conditions, regulatory market mechanisms are more complex. Here, the state uses various economic levers in a planned way to positively participate in the formulation of market parameters, so that the enterprises' decision-making accords with social goals and the national economy develops in a sustained, stable, and coordinated way. It is in this sense that we can sum up the contents of economic structural reforms as the establishment of a set of new economic mechanisms which combine planning and market regulation, to replace the old economic mechanisms characterized by administrative orders from the higher levels to the lower levels and the lower levels having administrative responsibility to the upper levels. Thus, some socialist countries directly call the system established after the economic reforms "the new economic mechanism." In order to do well in the reform of the economic structural reforms, it is natural that people pay attention to researching economic systems and economic mechanisms.

Researching and planning economic mechanisms which can be effectively used are not only important theoretical questions, but also important practical problems.

The necessity of reforming our nation's old economic mechanisms was already recognized in the latter part of the First 5-Year Plan. However, before the 3d Plenary Session of the 11th CPC Central Committee in 1978, economic structural reforms never got into the right track. Previous reforms were often carried out in a piecemeal way with things being done when required and with stress being placed on individual and partial measures. The overall and systematic nature of the reforms was overlooked and thus it was not possible to form complete economic mechanisms of benefit to the realization of the socialist economic goals. At various times, the focal point of reform work has been placed on "systems delegation," thinking that in this way decisionmaking will accord with the grass-roots level, and the enterprises will have a greater possibility of bringing into play their enthusiasm and creativity. There was absolutely no understanding of the fact that changing the enterprises' jurisdictional relationships did not mean that one was establishing a mechanism enabling and ensuring that enterprises improve their operations in accordance with social demand. After power was delegated to enterprises, operations management and economic results did not improve greatly. Rather, the national economic balance and supply and marketing coordination were harmed because the divisions between departments and regions were exacerbated. Thus, the pattern of the systems changes in the 1960's and 1970's was almost like a merry-go-round, with "delegation of

power" followed by "tightening" and "tightening" being followed by "delegation." At other times, what was stressed was the strengthening of material incentives for enterprises and staff and workers. To this end, various systems including profit retention systems, were established to reward the industrious and penalize the lazy, to reward the superior and penalize the inferior. However, because the reforms were carried out singly, not in coordination with other appropriate pricing, tax, and financial reforms, an entire mechanism by which rewards and penalties based on a true assessment of whether an enterprise's operations were good or bad, could not be formed. Thus, it often occurred that the amount of an enterprise's profits and the level of its income was divorced from its operational situation. Also, the enterprises were subject, to various degrees, to the influence of external factors which had nothing to do with the efforts that the enterprises put into their operations. Thus maladies such as "unequal distribution of problems and benefits" and "whipping a fast ox" appeared and the aim of rewarding the industrious and penalizing the lazy, rewarding the outstanding and penalizing the inferior could not be realized.

The lessons of the reform experiences in the 20-plus years before the 3d Plenary Session of the 11th CPC Central Committee and the experiences of the reform experiments since then have caused us to realize that the economic structural reform is a vast, systematic process. It does not depend on the implementation of individual measures or the institution of partial reforms to realize its effectiveness. If we wish to achieve success, we must adopt measures in an overall way in respect of all major links of the economic system and thereby form a complete set of economic mechanisms which are necessary for strengthening socialist economic activities. The "Decision on the Reform of the Economic Structure" which was passed by the 3d Plenary Session of the 12th CPC Central Committee sketched an outline of the goals of these reforms. It points out that the socialist economy is a planned commodity economy. This is a scientific stipulation which accords with the basic characteristics of our national economic system, and at the same time lays down basic principles on which to draw up a more specific blueprint of the reforms. As has been pointed out before, a commodity economy is a social system composed of many commodity producers who are separate from each other but still closely related, and it relies on the operation of the overall market mechanism. As to the planned commodity economy, it is a more complex entity comprised of various organically combined motivational, work, regulatory and other levers and gears. Through the mutual roles and coordinated work of its constituent parts, this large apparatus can bring into play the market mechanism to promote rational operational functions and, through social planned regulation, can overcome the blindness and spontaneous fluctuations of the commodity economy. Thereby, the rational deployment of social resources and the stable growth of the national economy can be realized.

Of course, an economic system consists of many thousands of things. The problems of the old economic system are difficult to deal with. These problems must be divided into the serious and the minor, the pressing and the not so urgent, so that the reforms in all links can be completed at the same time. However, the effective bringing into play of the role of any

economic system depends on whether its basic components can be coordinated. Thus, the reform of the basic links must be carried out in a coordinated way.

Since the 3d Plenary Session of the 11th CPC Central Committee, in carrying out the overall reforms, we have gained a great number of experiences in respect of establishing a planned commodity economy system. This has given us a deeper understanding of how to bring into play the economic mechanisms of the new economic system, and thus the new system's work blueprint is becoming more specific and more clear. Experience has told us that if a regulatory market mechanism is to be effectively brought into play in the planned commodity economy, the new economic management system must at least have the following three mutually related basic links: 1) socialist enterprises which are relatively independent commodity producers, which decide on their own operations, and which are solely responsible for their own profits and losses; 2) a regulated, and at the same time competitive, socialist market system; and 3) a macroeconomic regulatory and control system which accords with the socialist planned commodity economy and can, in accordance with the interests of society, smoothly carry out regulation. The first link relates to organizing the basic elements of the new economic system. The second link relates to the environment in which these elements (enterprises) will operate and the relationships between them. The third relates to the regulatory tools necessary for regulating the vast machine of the national economy so that it can accord with the goals. The organic combination of the above three elements constitutes the target pattern for economic reform. Their reform must be carried out "as a package." If it is not, it will be difficult for the new system to work effectively. For example, if we only reform the enterprise management system, and we give the enterprises quite an amount of autonomy, but do not establish a competitive market, then the enterprises will lack motivation and pressure to improve their operational activities. Also, because we will not be able to provide enterprises with correct pricing signals on the basis of which they can make decisions, it will be very difficult to guarantee that their autonomous operations will always accord with the interests of the society. If we just allow these enterprises, which have independent operations and are solely responsible for their own profits and losses, to compete in the market and do not have a macroeconomic regulatory and control system which can smoothly regulate the tightness or otherwise of the economic system, and cannot control and regulate economic activities in accordance with the plans, then the economy will be completely subject to market mechanism and there will be large fluctuations and divergences from social plans. Such a situation is often seen in free, laissez-faire market economies. However, if we only pay attention to the establishment of a macroeconomic regulatory and control system and do not give the enterprises sole responsibility for their own profits and losses, but instead give them firm budget restrictions, then the macroeconomic control will lose its microeconomic base, and it will be difficult for macroeconomic regulatory and control measures to elicit sensitive responses from enterprises. For example, the adjustment of bank credit interest rates to regulate the amount of money in circulation is one of the most important means by which the planned commodity economy exercises macroeconomic control. However, its effectiveness has, as a precondition, a certain hardness in the enterprises' financial budget restraints. If the system of financial supply

is maintained, and enterprises are able to eat from the banks' "big pots," and there is still the system of "a thousand years with no blame and 10 thousand years with no repayment," in respect to the credit principal supplied, then the effectiveness of raising interest rates and adjusting the tightness of the market will be restricted.

Of course, the so-called overall "package" reform does not mean that "everything can be accomplished at one stroke," or that in a morning we can resolve all the problems of the old system. Because of the complexity of the problems, the establishment of new systems often requires several interlinked steps. However, we should first pay attention to two matters: First, there must be a certain sequence in the steps. We must ensure that the initial and the later steps can be linked together. The reforms in the initial stages establish conditions for the reforms in the latter stage, and should not create difficulties or obstacles for future development. Second, all aspects of the reforms must be coordinated. We must seek to ensure that at every stage, the reform of each major link of the economic system is carried out at the same pace. Only in this way will it be possible to ensure the formation of those economic mechanisms which have been planned. The "Proposal" by the CPC Central Committee sums up the experiences of reform over the last few years and makes the "Decision" passed by the 3d Plenary Session of the 12th CPC Central Committee more concrete. It also puts forward a coordinated strategic plan which involves a sequence of progress for the overall reform of the economic system. The "Decision" stipulates that in the next 5 years or longer, the embryo of a socialist economic system with Chinese characteristics will be basically formed, and that following this it will be gradually perfected. In building this economic system, it is important to do well in linking three aspects: 1) Further strengthening the vigor of enterprises, especially large and medium-sized whole-people ownership enterprises; 2) reforming the pricing systems and pricing management systems so as to gradually form and improve a market system; and 3) reforming and improving the financial, tax, and banking systems, and readjusting and regulating the organizational structure of government economic management departments at all levels, so that state management of enterprises gradually changes from mainly direct control to mainly indirect control. Also, the work of laying a new economic systems base must be done in steps and be linked with other work. And so on.

If we are to effectively bring into play the role of this economic mechanism, there is still the problem of establishing a suitable economic environment. This is because any mechanism, if it is to be brought into play, requires certain external conditions. In this respect, the CPC Central Committee has already established a correct policy. The "Proposal" has established a rational rate of growth for the Seventh 5-Year Plan. It also points out that in the first 2 years of the plan, we must put stress on controlling overall social demand, and resolving the problems of excessively swift growth, excessively great investment in fixed assets, and excessive growth in consumption funds, so as to create a fine economic environment for the reforms. At the same time as we put efforts into stabilizing the economy, we should carry out the reforms unswervingly, carefully, and safely. Strengthening macroeconomic control which mainly consists of indirect

controls, putting order into the pricing system, improving the hardness of budgetary restrictions, and strengthening enterprises' vigor are, on the one hand, important steps in carrying out the reforms and, on the other hand, are advantageous to the further stable development of the national economy. Thus, in accordance with the conditions, we should positively carry out these measures.

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FLUCTUATION IN SUPPLY AND DEMAND FOR PERISHABLE AGRICULTURAL PRODUCTS AND ITS CONTROL

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[Article by Lu Mai [4151 6701]]

[Text] Regulation Through Market Mechanism Concerning Perishable Agricultural Products and Supply-Demand Fluctuations

Since last year, the state has no longer been handing down unified or assigned purchase tasks to lower levels, except for a few products. Rather, in accordance with the different situations, it is separately implementing contract purchases and carrying out market purchases. At the same time, within cities, the operations in respect of perishable agricultural products such as meat, poultry, eggs, aquatic products and vegetables have been freed.

The freeing of these operations as well as the further expansion of regulation by market mechanism has realized the anticipated results. First, the purchase price has risen, stimulating the development of production. In 1985, the number of pigs raised and the number of pigs sent to market were, it is estimated, 4.5 percent and 5.5 percent respectively up on the figures for the previous year. The estimated amount of pork, beef, and mutton produced was 32.85 billion jin, an increase of 6.6 percent over 1984. From the winter of 1984 to the spring of 1985, over 2 million mu of new fish ponds were excavated, and it is estimated that in 1985, aquatic products produced exceeded 6.5 million tons, 300,000 up on 1984. Of this, fresh-water aquaculture grew by over 20 percent. The area planted to vegetables, melons, and fruit also increased and production of these products likewise increased. Second, it promoted the reform of the circulation system. The economic forms and structures of state, collective, and individual commerce all became more rational. Sideline agricultural product wholesale markets, trade centers, trade warehouses and urban agricultural trade markets all developed quickly, and market structures improved over the previous situation. More regulations obstructing agricultural product circulation were removed and market management was improved. Third, things were made more convenient for the consumers. Network points increased, commodities were in quite good supply, perishable goods which had not been seen for years appeared in the markets, the spoilage rate for vegetables was lowered, and so on. Following the development of production, the price of vegetables and fruit in many cities fell again.

Fourth, it has reduced the burden on the state. Last year in Beijing, the state saved 1 million yuan of financial subsidies in respect of watermelons alone.

Perishable agricultural products being freely sent to market, freely traded, sold as necessary and prices being decided in accordance with quality, accords with the objective laws of the commodity economy and also accords with the characteristics of easily perishable products such as meat, poultry, eggs, milk, aquatic products, and vegetables. However, regulation by market mechanism can give rise to fluctuations in the supply of and demand for agricultural products. When commodity supply does not meet demand, prices rise and producers greatly increase production. However, as prices rise, demand falls and the products cannot be sold. This in turn leads to a reduction in price and the producers then reduce their production. This repeated cycle gives rise to periodic fluctuations. Also, there are various factors both on the supply side and the demand side which can destroy an existing balance.

Supply-demand fluctuations have a positive side. They allow the state to understand, in a timely way, the production and consumption situations, and it can thus change and reform policies and systems which do not accord with economic development, and learn how to use the law of value. They can also promote competition among producers in terms of prices, quality, and product types, which is of benefit in the application and popularization of new technology and in promoting the progress of agriculture. It can also promote enlivened circulation by commercial operators.

However, supply-demand fluctuations can also have negative influences in many respects. The great price increases which occur when supply does not meet demand can harm the interests of the consumers. When prices slump due to excess supply, it greatly affects producers. In the supply-demand fluctuations in respect of perishable products, these negative effects are even more prominent.

In the expenditure of our nation's urban citizens, expenditure on nonstaple foodstuffs (the majority of which is spent on perishable agricultural products) constitutes one-third, and greatly exceeds outlays on any other specific items. Thus, increases in the prices of sideline food products, and especially of perishable agricultural products, have a great effect on the people's living standards. If the fluctuations are great, and they are sustained for long periods, the consumers find them difficult to bear.

If supply-demand fluctuations in respect of perishable agricultural products are too great, it will inevitably lead to growth in wages, which will not only affect the state's financial expenditure, but will also increase the wage costs of other products, which will lead to price increases for these products. An increased purchase price for perishable agricultural products will also affect the ability of these products to earn foreign exchange through exports. It can thus be seen that great fluctuations in the supply of and demand for perishable agricultural products can have a disadvantageous effect on the stable and sustained growth of the overall national economy.

If we are to fully exploit the positive role of regulation by market mechanism, and avoid as far as possible the negative effects it can bring, we must strengthen state planned regulation and planned guidance. The "Decision of the CPC Central Committee on Reform of the Economic Structure" points out: "Our nation's economy is on the whole planned economy, that is a planned commodity economy, not a market economy which is entirely subject to market regulation." We must, through the planned regulation of production and circulation spheres, reduce as far as possible the degree of supply-demand fluctuations brought about by market mechanism, and reduce the time taken to achieve a supply-demand balance.

After the expansion of regulation by market mechanism in respect of the production and circulation of sideline agricultural products, whether or not we can find a concrete method by which to effectively strengthen planned regulation and planned guidance, is the key to whether success can be achieved in the economic structural reforms and whether the urban and rural economics can see stable, sustained development.

#### The Three Stages of Supply-Demand Balance and the Present Situation

In regulation by market mechanism, the volume of supply, the volume of demand, and prices all have mutual roles, which cause the supply-demand relationship to move from imbalance to balance and again to imbalance. In the process of reforming the pricing system, in general there are three stages:

The first stage. The abolition of the systems of coupons and certificates and the great increase in the wages of staff and workers will result in much higher demand, and there will be insufficient time to make the necessary adjustments in supply. This will result in a sudden increase in the prices of the relevant products.

The second stage. The supply side carries out readjustment in respect of the variable production factors, for example by expanding the labor force or extending labor hours, so as to accord with the increased demand. Thus, within a certain period, a new supply-demand balance is achieved and because the supply volume has increased, the market price drops.

The third stage. The supply side not only carries out readjustment in respect of variable production factors, but after quite a long period also readjusts other production factors. Then, the resulting market price is mainly based on supply costs and it is lower than the price at which the short-term balance was achieved. But because increased supply means increased costs, the price is higher than the original price.

Let us take Guangdong pond-fish as an example. In 1980 when Guangdong freed some agricultural products from controls, the demand for fish greatly increased. However, supply could not immediately catch up and the price of pond-fish increased steeply. When it reached 3 or 4 yuan per jin, the price stabilized. This price effectively distributed the restricted supply of pond-fish and at the same time stimulated the producers to improve their

technology and put in more labor and more feed so as to increase per-unit area yield. Following an increase in the supply volume, the price gradually fell to about 1.8 yuan and then stabilized. At the same time, more peasants began excavating fish ponds to increase the number of fish raised. Within 3 years, production volume greatly increased and the price began to decline, falling to about 1.2 yuan. At this price, the peasants could still make a reasonable profit, but if they further increased production, prices would fall further and producers' profits would fall below the average. Thus, in general the peasants did not further expand the scale of production, which resulted in a situation of long-term supply-demand balance, and the price level remained basically stable at about 1.2 yuan. In 1983, the retail sales of aquatic products in Guangzhou city totaled 172 million jin, or an average of 54.6 jin per consumer. This was twice the 1979 figure.

For a long period the prices of many agricultural and sideline products have not reflected their value or their supply-demand situations. As soon as they are freed, supply is unable to meet demand and it is inevitable that in the short term the price will shoot up. Urban people have lived with the system of unified purchase and marketing for over 30 years and they cannot easily adjust quickly to fluctuations in supply and demand. However, because we have done our work quite well, the morale of most urban citizens has been quite stable and we have smoothly entered the first stage of supply-demand movement. However, the improvement of the supply-demand situation could take a little time. If we are to have consumers accept quite high prices for some period to come, we need to continue to do our work well. First, we need to continue publicizing pricing theory in the light of specific problems, publicizing the significance of the pricing reforms, and doing well in ideological work. Actually, the demand for perishable agricultural products is centered on the Labor Day, National Day, New Year, and Spring Festival holidays. Doing well in the supply of holiday commodities plays a great role in maintaining people's morale. Second, apart from continuing to give subsidies to consumers, we can also give certain operational subsidies to state-owned and collective commercial operations, as this will help control the supply of goods. When necessary we can also adopt the method of supplying tickets and coupons. Finally, we must persist in attacking the driving up of prices, cheating, and market domination and the sale of fake and low quality commodities, so as to protect the interests of consumers.

#### Fully Bringing Into Play the Role of Commerce

In general, the supply-demand relationship reflects the relationship between producers and consumers. However, the two are not exactly the same, because between producers and consumers, there is also the circulation process. In the three stages of changes in supply-demand relationships noted above, there is the precondition of normal circulation. That is to say, the circulation factor is made abstract. In fact, if problems occur in the circulation links, although commodities are produced, they will not be able to reach the consumers and it is possible that an imbalance may occur in the supply-demand relationship.



Seen from our nation's situation at present, if we wish to readjust various production factors (such as land and labor) on the existing technological base and thus increase the volume of products, although it will take time, these changes are quite possible because our nation's rural regions are vast and their population is great. For example, if every household were to raise 3 or 4 chickens, it would only take a few handfuls of rice, but it would result in 400 to 500 million chickens throughout the nation. This potential for increased production can be seen from the supply of water-melons in 1985. The problem lies in the fact that our nation's perishable agricultural product production is decentralized and small scale, while consumers are relatively centralized. There are only 20 large cities throughout the nation with populations of over 1 million. This is only 7 percent of the total number of cities, but these cities centralize over 40 percent of the urban population. If we are to gather the perishable agricultural products, at present produced in a decentralized way, so that they can be supplied in a centralized way, we need to fully exploit the role of commerce and establish a complete market system to overcome the obstacles which obstruct circulation. To repeat what has already been said, even if production cannot for the moment be greatly increased, because of great variations in the resource conditions of the various areas in our nation, economic development is uneven and consumption levels are quite disparate, there is great potential for commercial organizations to adjust the surpluses and shortages between regions as well as those of a seasonal nature. If this work is done well, it can also alleviate, to some degree, contradictions between supply and demand. Thus, we should pay attention to commercial work and try hard to carry out commercial reforms well.

First, we must further improve marketing organizations. Cities must on the one hand provide trading and livelihood convenience to peasants and to small-scale commercial operations, and on the other hand must provide conditions for fairly large-scale commercial circulation. In recent years, various areas have established agricultural and sideline product wholesale markets. These service all kinds of wholesale trading activities, and tightly link the basic markets in the villages with the consumer markets in the urban areas. In addition, they play an intermediary role between the various types of commodity transportation and trade operations and the market retail networks. These are thus of benefit to the centralizing of perishable agricultural products in the urban areas, and also help in carrying out market management. Facts have proven that wholesale links are necessary and that doing well in respect of wholesale markets has extremely great significance in providing a satisfactory supply of nonstaple food products and especially of perishable sideline agricultural products to urban areas. At present many cities have imperfect wholesale markets. In general they are mixed together with the agricultural trade markets, where the areas are cramped and the transport is not convenient. Such situations should be changed as quickly as possible. Some cities have established agricultural and sideline product wholesale markets near major road junctions. This greatly assists producing areas' commercial organizations and peasants' transportation and sales activities, and brings into play quite well the distribution role of these places. Such methods are worth being used as reference. Apart from market trade areas and facilities, there is also a need to strengthen commodity



storage, transport, distribution and processing facilities and establish appropriate economic organizations. There is also a need to provide service in terms of storage, remittance and information.

Second, we must improve the operation of state-owned commerce. After perishable agricultural products were freed from controls, some local state-owned commercial operations could not obtain sufficient goods and their market share decreased. Some vegetable and nonstaple foodstuffs retail sales outlets even changed their operations to other commodities. The situation was mainly a result of state-owned commercial enterprises "eating from the same big pot" for a long period, which had given rise to dependence and indolence. Thus the appropriate changes will take time to realize. At the same time, some methods used in the reform are not appropriate, and this is also a contributory factor. On the one hand, we require that all enterprises become commodity operators completely responsible for their own profits and losses, but on the other hand also require state-owned enterprises to take on the responsibility of market stability, and exercise controls over their prices. However, these two aspects are contradictory. As commodity operators solely responsible for profits and losses, very naturally they want to move with supply-demand fluctuations, to sell at high prices when commodities are in short supply, and to sell at low prices when there is a surplus of commodities, to reduce sales and increase stocks when prices are seen to be rising and to reduce purchases and reduce stocks when prices are seen to be falling. However, if they are to play a role in market stabilization, state-owned commercial operations must move against the fluctuations in supply and demand, so as to keep prices down. When prices are seen to be rising, they will have to keep products in store, but when prices are seen to be going down, they will have to increase purchases. If the two opposing tasks are given to enterprises at the same time, they will find it difficult to carry them out. It appears that if we wish to both enliven the market and also maintain control of it, the two tasks have to be carried out by different commercial enterprises. Medium-size and small state-owned retail commercial operations should be further developed in the direction of sole responsibility for profits and losses, and the enterprises can arrange their own sources of supplies (including both purchases in production areas and purchases from wholesale markets), and prices can be set in accordance with the market situation. Commodities purchased from wholesale enterprises must have their prices set in accordance with the stipulated purchase-sales differentials and cost ratios. In this way, it will be possible to encourage retail enterprises to go down to the villages to obtain their goods and to have linked operations with suburban or county peasants, or to conclude long-term purchase contracts with them. This will be helpful in supporting production and enlivening circulation. However, the main responsibility of state-owned wholesale enterprises and large-scale retail enterprises will be the stability of the market. While the state still has no new, more rational method to take on this task, the above-mentioned state-owned commercial enterprises should continue to be the main tools of state regulation of the perishable agricultural products market. For example, in 1979 Guangzhou city established the first Guangzhou city aquatic products trade warehouse and then successively established 24 trade warehouses and opened 8 agricultural and sideline product wholesale trade markets. These have played a positive

role in stabilizing the supply of and demand for perishable agricultural products.

### Strengthening Planned Guidance and Strongly Developing Production

The basic measure for resolving the supply-demand contradictions is to strongly develop production. The people's demand for perishable agricultural products has a quantitative aspect as well as variety and quality aspects. In recent years, following the continued increases in income, people are now not content to eat "ordinary vegetables." They have also become more selective in terms of meat and fish. These phenomena necessitate appropriate changes in the production structure and raising the level of production technology. However, apart from the economically developed areas of the Zhujiang delta, the Changjiang delta, and the Jiadong peninsula, agriculture in the majority of our nation's regions has not become large-scale commodity production. The small-scale, semi-self-sufficient production which has existed for a long period has resulted in many peasants retaining various characteristics of small-scale producers, and this has brought various difficulties in readjusting the production structure.

1. The peasants live in scattered areas and rural transport and communications facilities are backward. Thus it is very difficult to obtain market information and what is obtained is not accurate. Therefore, peasants quite often distrust what is shown by market information.

2. The peasants have few social relationships, their cultural level is not high, and their access to technological, financial, and market information is rather restricted. Thus, their decisionmaking ability is poor and when market prices fluctuate, they make a simple decision in respect of planting or not planting, raising or not raising. They do not fuss over how to plant or how to raise. In making decisions on production projects or production methods, they either rely on traditional methods or on copying others. They are not willing to blaze new trails and take risks.

3. The peasants' production scale is small, and the quantities produced are also small. Also, often the production is not continuous. Thus, they lack long-term plans for suiting the market or filling a part of the market. They are often short-sighted in respect of their economic activities as, for example, overlooking quality and not concerning themselves with reputation, mixing good quality with poor quality materials in order to deceive and obtain a one-time profit and so on.

For these reasons, the sole use of market price stimulation is insufficient to get the peasants to quickly change the production structure and improve the supply situation. If we are to have the production structure quickly adjust to changing social demand, at the same time as we expand the range of regulation by market mechanism, we must also strengthen state planned guidance in rural production, and give more real assistance to the peasants.

First, we must strengthen planning in respect of the production of perishable agricultural products. Because there are many difficulties in bulk transport

of perishable agricultural products over long distances, large and medium-size cities should, in the areas within certain limits around the cities, establish vegetable, melon, fruit, meat, poultry, eggs and milk production bases, so as to guarantee the main part of the perishable products supply. Cities should bring into play their superiorities in terms of funds and technology to promote the development of basic construction. Large cities should also, with the support of relevant departments, use joint operations, joint ventures and such forms to establish stable production and sales relationships with other areas.

Second, we must strengthen technical assistance to the villages. Research into and propagation of agricultural science and technology plays a decisive role in the readjustment of the rural production structure and the raising of the level of rural income. We should establish improved rural science and technology propagation systems, such as animal and fowl epidemic prevention systems, fine strain cultivation systems and so on. In a representative investigation, the ratio of animal and fowl deaths through sickness as a proportion of stock on hand was as follows: sheep, 8 percent; pigs, 10 percent, and fowl, 20 percent. At the lowest estimates, this results in losses of 2 billion yuan a year. Research into, and propagation of agricultural technology have wide social benefits, but they require substantial investment. If we are to solely rely on the peasants to take on this responsibility, there will definitely be difficulties, and thus the state must take on a portion of the costs. The state subsidies in respect of perishable agricultural products, provided by financial departments at various levels were, in the past, provided in the circulation sphere, and are now provided in the consumption sphere. If we are able to provide some subsidies, through financial support or bank credit, to the production sphere, and thus assist research into and propagation of agricultural science and technology, so as to improve the agricultural science and technology propagation systems, the animal and fowl epidemic prevention systems, and the fine strain cultivation and propagation systems, it will have an important influence in stabilizing supply-demand relationships.

Third, we must develop the specialized production of perishable agricultural products. Specialized households which engage in the production of perishable agricultural products produce large quantities of products and their commodity rate is high. At the same time, they are highly dependent on the market and hope for stable sales avenues. If state commercial operations establish production and sales relationships with these specialized households and greatly support their development, it will be of benefit in obtaining stable and sufficient sources of goods. With the abolition of unified purchases and sales, the hazards of many specialized animal-raising or planting households increased greatly and support in terms of credit and feed was reduced. This affected the stability of the specialized households and the development of production. The appropriate centralization of the production of perishable agricultural products helps to resolve such problems as the propagation of technology, the prevention of epidemics, the supply of feed and fertilizer and the sale of products. Thus, apart from the development of specialized households, we should also actively develop specialized villages and specialized townships.

As production grows more specialized, reliance in many respects becomes greater. Thus, there is a need, in accordance with the internal relationships of economic development, to establish specialized coordination and cooperative sales organizations. This will assist the propagation of technology, the unifying of quality standards, the arranging of channels of circulation and the organic combination of the scattered operations of peasants and socialized large-scale production. This is also an avenue by which the state can exercise planned guidance over agricultural production. At present, many market prices are quite high, the supply of many perishable products does not meet demand, and the relevant parties have not provided the necessary support to the peasants in developing cooperative sales. Thus, the peasants do not feel that the establishment of cooperative sales organizations is a particularly pressing matter. In addition, state-owned commerce has not fully brought its role into play, with the result that in the markets in some areas, one-third or even one-half of the income from vegetable prices is taken by the small pedlars. In the production of milk and eggs by peasants, they also encounter many difficulties in obtaining feed and in selling products. Developing cooperative sales will be of advantage in resolving these problems. We should sum up our present experiences, do well in setting examples, formulate relevant regulations in experimental bases and then gradually propagate them.

Fourth, the means of state interference and the degree of control exercised should be different for different products. Different products have their own characteristics in terms of their supply and demand movements. Some perishable products have greater demand elasticity than supply elasticity. That is to say, when prices change, the choice of the people to eat or not to eat, to eat a lot or to eat a little, is greater than the peasants' choice of whether to plant or not to plant, to rear or not to rear. An example of this is fish. The consumption of fish by people in many of our nation's cities is quite small, and they can go without it. In raising fish, peasants must continue to produce as long as they put in investment. Apart from weather factors, the supply and demand fluctuations for this type of product are fairly regular and prices tend to be stable. Basically, no controls need to be instituted for this type of product. For some other products, the demand elasticity is less than the supply elasticity. An example of this is vegetables. Urban dwellers need vegetables every day, while the production avenues of the peasants in the suburbs of large and medium-size cities are quite numerous. Thus, they have a lot of choice in whether they plant or do not plant, plant a lot or plant a little. The supply-demand fluctuations for this type of product are rather unpredictable and thus the prices tend to be unstable. There should be controls instituted for this type of product, by which mandatory targets are handed down concerning areas to be planted and amounts to be sold. If these targets are not met, economic sanctions should be imposed. If this is not done, the supply of vegetables to the cities will not be guaranteed nor will the stability of prices. Some other products have approximately equal demand and supply elasticity, and it is easy to form a cycle of supply and demand fluctuations. An example of such a product is pork. In respect of products such as this, we can implement controls in various production links. If the state can widely establish pig-breeding centers, through the supply of piglets, it will

be possible to both improve pig breeds and regulate the piglet market, thereby stabilizing the price of pork.

In addition, we should also establish a system of agricultural product reserves and set up price stability funds to deal with situations when market prices fluctuate beyond a certain range.

The stability of the supply of perishable agricultural products and the prevention of dramatic price fluctuations finally also depends on the overall control of the national economy. If the relationships between the various areas of the national economy are suitable, state construction funds are abundant, there is a fairly great input of technology and funds into the production of perishable agricultural products, and consumption funds are effectively controlled, then it will be fairly easy to achieve a balance in the supply of and demand for perishable agricultural products and stability in their prices.

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## A BRIEF DISCUSSION ON THE COMPLEXITY OF TYPICAL CASES IN ART

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[Article by Zhu Liyuan [2612 4539 0337]]

[Text] Creating typical images of high aesthetic value is an important mission of literature and art creation. Since the founding of our country, many discussions have revolved around the essence and characteristics of artistic models, the relationship between typical characters and typical environments, the creation of typical characters, the ways and methods of creating models, and other issues, and some achievements have been made. Although the complexity of typical cases in art has often been touched upon, it was never fully studied and discussed due to the interference and restraint of "leftism." Since the 3d Plenary Session of the 11th CPC Central Committee, the party's lines, principles, and policies of emancipating the mind and seeking truth from facts have greatly called forth the enthusiasm of the vast numbers of literature and art workers, and literature and art creation has begun to flourish. In character creation, a number of varied, colorful, emotional, and complex typical characters, such as Chen Huansheng, Liu Sijia, Lu Wenting, Gao Jialin, Jin Kailai, and so on, have been presented to the people. Edified and influenced by these entirely new complex models, people's aesthetic tastes and concepts have begun to gradually undergo profound and important changes. No longer content with gaudy, monotonous, and stereotypical character descriptions, they demand to be directly led into the inner world of characters to experience the emotionality and complexity of their innermost beings. Such a new change in literature and art creation and appreciation requires the theoretical circles to give serious consideration and a correct guideline to the issue of complexity of typical cases in art.

### What Is the Complexity of Typical Cases in Art?

In appreciating literature and art works, it is not difficult for people to identify a relatively complex typical image. However, as for where exactly the complexity of typical cases lies in art, it is necessary to make a deep-going analysis and study of many outstanding artistic models to get the answer.

I think that the complexity of models is primarily reflected in the composition of typical temperament. The temperament of a complex model is often of

a multidirectional, multiphase, and multilevel complex structure. The so-called "multidirectional" style is used as opposed to "unidirectional." Writing about a rough character, some writers tend to concentrate on just describing his roughness, thereby becoming "unidirectional." However, in "Romance of the Three Kingdoms," the rough temperament of Zhang Fei is described as crude in most matters but subtle in some, and usually careless but quite sharp at times. This is at least "bidirectional." He is also described as being bold, uninhibited, chivalrous, loyal, righteous, and valiant. This is "multidirectional." Another example is in "Jinpingmei Cihua," in the depiction of a "shrew" by Lanling Xiaoxiaosheng, Pang Jinglian is not only unreasonable, but also lascivious, jealous, venomous, ruthless, obsequious, crafty, and insidious. Therefore, the composition of her temperament is also "multidirectional." Commenting on the temperament composition of Wu Song, Jin Shengtan stated it very well: "Wu Song is really a great hero, because he is as broadminded as Lu Da, as cruel as Lin Chong, as upright as Yang Zhi, as kind-hearted as Chai Jin, as straightforward as Ruan Qi, as naive as Li Kui, as quick-witted as Wu Yong, as elegant as Hua Rong, as generous as Lu Junyi, and as smart as Shi Xiu. Isn't it appropriate to say with certainty that he is the No 1 hero on earth?" (Overview of the 25th chapter of "The Water Margin") Therefore, the complexity of Wu Song's temperament was affirmed by him from a "multidirectional viewpoint." The so-called "multiphase" aspect refers to the varied temperament aspects the typical characters demonstrated while handling various people and things under specific and complicated social environments. Hegel attached utmost importance to creating typical characters with a "many-sided personality." He spoke highly of the image of Achilles created by Homer, as "the many-sided personality of a noble character is brought into full play in him." He fully affirmed the "colorful inner world" of the characters created by Shakespeare. For example, "under the most volatile of circumstances," Romeo demonstrates his "dignity, nobility, and profound sentiment," and "Juliet also manifests her personality as a whole in many relationships." (Hegel: "Aesthetics," Vol 1, pp 303, 305) The "multiphase nature" of typical characters mainly expresses the adaptability of the characters, which can spark colorful flames of personality only in interaction and collision among characters and environments. The so-called "multilevel" aspect refers to the characteristics of every level of the typical character, from his appearance to his inner world. The forms of expression of a complex character often vary and differ at each level. For instance, the outward image of Chen Bailu is a dissolute high-class dance hostess who lies in luxury and seeks ease and comfort by engaging in prostitution. However, in sheltering and saving "Little Girl," her humanitarian feelings and her real character of suffering untold humiliation and sympathizing with fellow sufferers is expressed. While telling Fang Dasheng about her first love, her pure, and passionate, inner world, full of fantasy and pursuit, is instantly uncovered. Therefore, in character composition, the complexity of typical cases is often blended and integrated into a multidirectional, multiphase, and multilevel being. We can just call it "multiple composition" of personality.

The complexity of typical cases is also reflected in the severe unrest and great variation in a personality. Generally it is rare for the personality of a character which can be called an artistic model to be at a standstill.

Outstanding artists always let their leading characters demonstrate the changes in their thinking and personality by associating with various people around them, while delineating their characters' varied and complex inner world in the process of personality development and changes. The development of the fate of the characters in Shakespeare's tragedies is "often decided by the changes in their inner world; that is, letting the personality development of characters run wild and lose control, to the point of becoming hurt and exhausted." For instance, the plot development in *Macbeth* "seems to be a deteriorating process in which Macbeth's soul gradually turns brutal." (Hegel: "Aesthetics," Vol 2, pp 346, 347) At the beginning of the play, Macbeth is a valiant commander triumphantly returning home. However, later on, wild ambition eats at his soul little by little, causing him to initiate his conspiracy of usurping the throne and killing the king. Thereafter, amid the repeated painful mental struggles between flaunting his power and influence and being censured by his conscience, he goes into the abyss of total destruction. Thus, all the complexity of his personality is fully revealed in the great mental changes. The reason the complexity of typical characters can be revealed in personality changes is mainly because under given conditions, various aspects hidden in a typical personality will sprout, grow, mature, and surface. Therefore, the complex "multidirectional, multiphase, and multilevel" personality structure is built up in a dynamic state. If the author of "A Dream of Red Mansion" had only described Sister Feng as enthusiastic, glib, slick, and shrewd at the beginning of the novel when Daiyu first arrives at the mansion of the Jia family, but had failed to mention in the plot development "Sting Feng" who "manipulates power in the iron-threshold nunnery" and craftily devises the scheme of substituting Baochai for Daiyu as the bride of Baoyu in an effort to break up "the prearranged marriage between Baoyu and Daiyu," could the inherent complexity of the image of Wang Xifeng have been revealed? The answer is self-evident.

The complexity of typical cases is not only demonstrated in the static structure and dynamic development of personality, but also embodied in deeper connotative implications. All the successful artistic models in both Chinese and foreign literature invariably express the principle of integrating individuality and generality, finiteness and infiniteness, and often carry profound implications in extremely distinctive individual images. Therefore, they always give people a feeling of unlimited meaning and thus become a kind of "meaningful pattern." (This is borrowed from the definitions of Clive Bell, a British formalist aesthete. See the Chinese version of "Art," p 4) There is an article entitled "No End for Shakespeare" by Goethe, which also implies that the connotations of the characters created by Shakespeare are so profound that no one can finish commenting on them. In fact, not only the characters in Shakespeare's works, but also the connotations of all the immortal models created by great artists are extremely rich and complex and have many implications. Why is this? First, a true artistic model image should inevitably possess distinctive individuality and the characteristics of the times, society, and nation. Just as Hegel said, they have "something." Therefore, the thinking, reasoning, and implications embodied by the image should also inevitably possess some certainty and definitiveness. Nevertheless, this kind of certainty is relative. As the

imagination, artistic thought, and rationality applied by artists while creating models are all directly imbued in the system of images, the implications behind the images thus acquire some uncertainty. Therefore, the inherent implication of model is often a unity of certainty and uncertainty. Second, the artistic languages and symbolic systems (in literature, drama, film, dance, and so on) all depend on a specific perceptual form to depict the personality of characters. These perceptual artistic languages and symbolic systems are entirely different from the logical structure of philosophical and scientific languages and symbolic systems and are often "polysemous" and "indefinite." When both certain and uncertain rational elements are integrated with an indefinite perceptual form in a model image with a complex and changeable structure, the possibility could arise for the model image to demonstrate its inherent implications in different directions and at different angles and levels. This is what is often described as "image is bigger than thought." In fact, conversely, we can also say that "thought is bigger than image." In his first novel, "A Madman's Diary," written during the 4 May Movement of 1919, Lu Xun created a psychological model suffering from schizophrenia. What this "madman" sees, hears, feels, and thinks are all based on specific people and things, like Mr Zhuo Gui, tenants from Wolf Cub Village, elder brother, Mr Gu Jiu, old account sheets, the fierce dog, and so on. However, by depicting these specific things and people, Lu Xun painted a perceptual picture of "the man-eating world" in the terrified and hostile eyes and mind of the madman with only 2,000 words, thus expressing the grave, indignant, extensive, and vehement theme of antifeudalism. The connotation of this image is so rich and complex that no one can really "finish commenting on it."

It can be seen that the complexity of typical cases is not a unified alignment of the key elements of the two extremes of personality nor the "dual composition" embodying profound implications. Were this not so, theoretical study would tend to be oversimplified.

#### Causes of the Complexity of Typical Cases in Art

Fundamentally speaking, the complexity of typical cases in art is decided by the complexity of social life. Living in a society is like living in a giant and complex network of relations interwoven by material economic relations and spiritual cultural relations. Each aspect and level of people's personalities is formed in this network and will in turn make this network of relations more sophisticated and complex. Therefore, in reality there is no pure and simple personality. People's personalities are not only different and varied but also different in sophistication and complexity to varying degrees. As artistic models are extracted and from various personalities in social life, they must also be sophisticated and complex.

The complexity of a typical case in art is not just an issue of the image. Because a model is the fruit of the creative activities of artists and the object of the appreciation of readers or an audience, its complexity is formed and realized in the dynamic process of artist-work-appreciators. Therefore, in studying the cause of the complexity of typical cases, it is imperative to grasp these three links and master them in regard to their dynamic contacts.



Undoubtedly the complexity of models is decided primarily by the creative activities of artists. Every successful artistic model is created and cultivated by the artist with all his soul and efforts. As a result, it is unavoidable that it should carry the brand of the complex mentality of the artist himself. This is the "projective role" of the artist himself. This projective role can be direct or indirect. Artists always project all their love, hatred, ideals, and feeling, including their own problems and doubts, onto the ideal and positive people in their minds and, to a certain extent, make them become the embodiment of the artists themselves. For example, Shakespeare directly projected his belief in and pursuit of humanism and his complex apprehensions, doubts, and agony because of the failure and disillusionment of his humanist ideal in reality, onto his model, Hamlet. Therefore, the complexity of Shakespeare's thoughts and feelings was transferred to the personality of Hamlet. This is the direct projective role. Regarding various nonideal people in an artist's mind, on the basis of carrying out thorough and painstaking observations and studies and acquiring experience, an artist often dissolves his various subjective attitudes such as sympathy, pity, disdain, indignation, irony, satire, criticism, and so on, in his aesthetic feelings, criticism, and projects, and pours them into his characters, making them have complex personalities different from that of the artist. This is the indirect projective role. The cause of such an extremely complex model as Ah Q was manifold. Lu Xun projected his subjective attitude of "being sorry about his misfortune and angry with his disappointing behavior" onto Ah Q and thus set up the main key to the complexity of Ah Q's personality. Therefore, the complexity of a model will become incomprehensible without the thoughts, feelings, ideals, and individuality of the artist and the projective role in his creative process.

Of course, once an artistic model is established, it can be relatively independent. After the works created by an artist come out, the imagery of the works will become an independent world existing in the light of its presumptive logic. In this world, a model is restricted by many other essential factors in the artistic works. First is the theme. Because an artist refines a theme on the basis of observing and experiencing life and develops the theme during his planning and creative process, this decides the direction in which the complexity of a model is to be demonstrated. In depicting Ah Q, Lu Xun wanted to illustrate the soul of the countrymen and "to expose the disease and draw attention to it so that it might be cured." (Lu Xun: "Mixed Dialects: How I Came To Write Stories") This intention determined that the complexity of Ah Q's image would be unfolded along the direction of winning a psychological victory. Therefore, no matter whether he is beaten and humiliated by Mr Zhao as being unworthy of the name Zhao or whether he shouts loudly "Rebellion! Rebellion!" and stalks proudly with his head held high before Mr Zhao and others, and whether he is dazedly and also overconscientiously drawing a circle on the court verdict of death or is suddenly awaking from daydreaming before being beheaded, the novel always concentrates on illustrating "the soul of the countrymen." If the theme of resistance was intended, perhaps the image of Ah Q as a whole as well as its complexity would have been entirely different. Second is the environment. Engels pointed out that environment "surrounds these people and spurs them to act." ("Selected Works of Marx and Engels," Vol 4, p 462) The complexity of



typical figures is unavoidably restricted by the specific natural and social environment provided in works. Divorced from the specific environment, the complexity of models would become incomprehensible, forced, and unnatural. Finally is interpersonal relationships. Typical figures always demonstrate themselves in dealing with others. The content of a typical character and his complexity are all products of his interrelations and interaction with others. In fact, a model cannot act as he (or she) pleases, but must act in light of all the factors presented by the relationships among various figures in the work. For instance, the reason why Anna Karenina commits suicide and uses the method of lying on railroad tracks to kill herself is that this is the only solution she can choose under the sway of Kalinin and Vronsky and the various forces of social relations. This is an ending which neither Anna herself nor the author, Tolstoy, could fully anticipate. Therefore, the cause of the complexity of a typical case is not only formed by the projective role of an artist, but also by the restriction of every component of the work.

The complexity of typical cases in art is also reflected in its need to be appreciated by readers or audience, receive their recognition, and be understood by them. Attention should be paid to the "receptive aesthetics," something which is influential nowadays in the West. It mainly studies the relationship between the significance of artistic works and the recreation of receivers (appreciators). Advocates of "receptive aesthetics" hold that the significance of artistic works is not purely objective, but is closely related to the recreation (imagination) of every specific receiver in artistic appreciation (referring to readers or audiences of different times, nations, social status, cultural accomplishments, aesthetic tastes, personalities, and temperaments). This viewpoint has been proved by much practice in artistic appreciation and can be entirely used to explain the complexity of typical cases. As mentioned above, the implication of the typical cases in art itself is both simple and sophisticated and definite and indefinite, providing people with a chance to appreciate and comprehend them from different directions and angles and at different levels. Because the subjective conditions of appreciators are, in fact, not all identical, a typical image cannot possibly have the same aesthetic effect for different appreciators. Similarly, the appreciators' discovery and understanding of the implications of typical images cannot possibly be stereotyped. The story of Ah Q has been in existence for more than 60 years, and articles analyzing the image of Ah Q are now innumerable. However, even now people can still discover intricacies of the personality of Ah Q which no one has found before. This shows that the complexity of Ah Q is decided not only by the image itself, but also by the understanding and discovery of appreciators.

Therefore, we can learn that the complexity of typical cases is a product of the joint role of the three key links of artist, the work, and appreciators, and is a dynamic process of the transmission of artistic information and feedback.

## The Complexity and Aesthetic Value of Typical Cases in Art

Compared with ordinary artistic images, the vitality of typical cases is much greater and its aesthetic value is much higher. Is there any connection between the value of the typical cases in art and its complexity? I think there is. One of the implications of the so-called typical cases in art is that a definite and individual perceptual image contains and shows rich and general rational knowledge. As far as this point is concerned, there is a natural connection between the complexity and aesthetic value of typical cases. Moreover, we can say that no matter how simple they look, any characters which can be called typical cases in art are, in fact, always complex to varying degrees. If a character becomes simple and leaves no residual at all in terms of both external image and internal connotation, it is absolutely not qualified to join the ranks of typical cases.

However, this does not mean that typicality is equal to complexity, nor that the aesthetic value of a typical case is decided by its complexity. If this is so, the absurd conclusion that the more complex an image, the higher its aesthetic value could certainly be reached. In fact, in literature there have been two kinds of successful typical cases: First, those characters which are more complex, such as Hamlet, Nekhlyudov, Anna Karenina, some images of "dual personality" created by Dostoevsky, Gregory, Song Jiang, Baochai, Fanyi, and so on; and second, those which are comparatively simple, like Don Quixote, Julien, Father Grandet, Li Kui, Zhuge Liang, and so on. However, their aesthetic value is all very high and can be passed from generation to generation. It would be funny if we were to regard complexity as the only criterion to judge their aesthetic value. In fact, though different in complexity, these two kinds of successful typical cases are all a unity of simplicity and complexity and "many" and "one." The only difference is that the former has simplicity in complexity while the latter has complexity in simplicity.

I think that the complexity itself of the personality of characters does not possess aesthetic value and is only of "neutral" quality. Only when complexity is joined by other measures for judging aesthetic value can it attain aesthetic meaning. In light of real aesthetic standards, these measures for judging aesthetic values are mainly truthfulness, liveliness, and extensiveness.

Truthfulness refers to the truthfulness of art. When the total complexity and the degree of complexity of an image can aptly demonstrate the complete picture of the character and attain the realm of artistic truthfulness, it constitutes one of the factors contributing to aesthetic value. Commenting on the value of "Dream of the Red Chamber," Lu Xun pointed out: "It dares to give realistic and truthful description which is quite different from previous novels in which good guys are always good and bad guys are always bad. Therefore, characters in the novel were all real." ("Changes in the History of Chinese Novels") He also said: "Because of its truthfulness, the novel breaks away from outmoded styles and relates both the beautiful and ugly sides of human nature." ("A Brief Outline of the History of Novels: The Humanistic Novels of the Qing Dynasty") In fact, here he criticized the

malpractices of simplicity and monotonousness in depicting characters in traditional novels and raised the issue of complexity of typical cases. Of course, Lu Xun only mentioned one form of complexity (i.e., "to relate both the beautiful and ugly sides of human nature"). However, the complexity emphasized by Lu Xun was aimed at and limited to "truthfulness." He did not purely advocate "complexity." In fact, Lu Xun and all the truly realistic artists always put loyalty to life in the first place and strictly abide by the self-development logic of life in creating images. As a result, the characters they create are not only sophisticated and complex but also real and rational. In relation to the tendency in contemporary creation for some people to increase the degree of complexity with a view to embracing "complexity," and the trend toward some new modes of "complex personality" (like reformer plus romance and love, lack of discipline, cynicism, and complaints plus heroic deeds at critical moments, and so on), I think that it is highly necessary to stress that the degree of complexity of typical cases should be based on truthfulness. If "complexity" is aimed at being appropriate, it will be conducive to raising the truthfulness of typical cases and the aesthetic value of typical cases.

Liveliness refers to the distinctiveness and vividness of images. Distinctiveness, namely individuality, is prerequisite to the vividness of images. Generalized, formularized, and plagiarized images are totally lifeless. One of the important signs of the establishment of a typical case is vitality and uniqueness. This is also related to the complexity of characters. This means that "multidirectional," "multiphase," and "multilevel" personality should not be mechanically assembled but organically composed to form a new life as if of real flesh and blood. People living in reality all have living personalities. As the wisest of all creatures, man possesses a high degree of mental capability and the capabilities of adapting himself to and changing the objective world. He is a free, independent, subjective, and lively organic whole. Therefore, the typical cases in art should also be molded into such a living entity. Only when all the complexities of the character described are dissolved into a living organic entity can the complex personality become "lively" and qualified to be a typical case. In this sense, it is useless to artificially select the best way of organizing every complex level of a character. The complexity of a typical case in art cannot be attained only by employing mechanical alignment and composition or simply putting together complex factors in a character. The key lies in the imagination and cultivation of the artist. If an artist breathes with and shares the same fate as the characters he creates in the imaginary world, he has begun to breathe life into the body of the characters, and the prospective characters have begun to acquire life. In describing Madame Bovary committing suicide, Flaubert seemed to have tasted the arsenic in his own mouth. When writing "Li Zicheng," Yao Xueyin often cried, laughed, and felt pleased and angry as one with the peasant heroes he deeply and sincerely loved. As a result, although some of the characters he created are complex and some are simple, most of them are very "lively" and few bear the vestige of artificiality. After having seen the portrait of Ah Q carved by Liu Xian, Lu Xun immediately wrote back: "In my mind, the portrait of Ah Q should carry less an air of hooliganism, because in my hometown people with such a fierce look do not have to work for others but live an idle life." ("To Liu Xian" in "Correspondence of Lu Xun," Vol 2, p 1061) Thus we can see that the image of Ah Q

had long been living distinctly in Lu Xun's mind and if there was any "mistake," he could immediately sense it. Therefore, only when complexity totally becomes a lively character can it be related to the aesthetic value of typical cases. Divorced from an organic entity, complexity will become totally worthless.

Extensiveness refers to the degree of the implication of social history epitomized by model images. Being truthful and lively alone, a character still cannot necessarily become a typical case. It should make an extensive generalization of history. All the immortal typical cases in the history of literature belong to a given time and country and possess long-standing artistic vitality. This is the highest aesthetic value of the typical cases in art. Of course, the extensiveness of typical cases is related to the complexity of characters. It is difficult to imagine that an excessively simple or weak image can undertake this enormous task of extensively generalizing history. Nevertheless, extensiveness is not in direct proportion to complexity. Only when all the key factors and links reflecting the complexity of characters possess a high degree of universality and a profound historical implication can they possibly enhance the character images to become typical cases in art. Those brilliant models created by Tolstoy are perfect combinations of complexity and extensiveness. The world of art is formed by these images, which are "a mirror of the Russian revolution" as Lenin once said. Similarly, because of the artistic description of the declining fates of the four noble families of Jia, Shi, Wang and Xue, "Dream of the Red Chamber" has the great significance of chanting a dirge for the Chinese feudal society as a whole.

The complexity of typical cases is a subject of important theoretical and realistic significance and it is worth making an in-depth study in light of the reality of artistic creation. This article only serves as a starting point. If there is anything inappropriate in the article, comrades are welcome to offer criticism and corrections.

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## WHAT HAVE WE DONE IN BUILDING 'TWO-CIVILIZATION HOUSEHOLDS'?

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[Article by Ji Hengwen [0370 5899 2429]]

[Text] By "two-civilization households," we mean a new type of peasant household with the two basic characteristics of advanced production and lofty spiritual outlook. In Hebei Province's Hengshui Prefecture, "two-civilization households" have basically been developed on the basis of the transformation from, and development of, three sections of rural households. The first section is the specialized households and the households doing specialized jobs; the second is the households of 5-good families; and the third is the households of party member cadres. These households know technology and management, are good hands at production, and have become rich through hard labor. After they became rich, they took the initiative in helping their neighbors to become rich. They love the country and collectives, and display very high socialist awareness. Over the past few years, all the areas in the prefecture have promoted the development of their agricultural production and commodity economy through grasping the work of building "two-civilization households." In 1985, the prefecture's gross industrial and agricultural output value reached 2.99 billion yuan, more than double the 1.35 billion yuan in 1980. The total income of its township and town enterprises reached 1.15 billion yuan, more than double that in 1980. In 1985, the per capita peasant income for the prefecture was 359 yuan, an increase of over 400 percent over that in 1978 before the 3d Plenary Session of the 11th CPC Central Committee. At the same time, there has also been an improvement in the general mood of the society and people's mental attitude. This tells us that building "two-civilization households" is a good method, suited to the new situation, that has emerged since rural reform enabling us to grasp the construction of the two civilizations simultaneously.

The process from the beginning of the emergence of "two-civilization households" to the popularization and continuous improvement of these households was also a process in which the thoughts and understanding of the cadres at various levels in Hengshui Prefecture continued to deepen and their work methods continued to improve.

1. It was by proceeding from the reality in Hengshui that we found this good form of the "two-civilization household." Marxist epistemology requires



that in thinking over problems and doing things, people must proceed from reality and understand the general character of things through understanding their specific characters. In the process of discovering and understanding the "two-civilization households," we followed this basic principle on understanding things. In the winter of 1983, the prefectural CPC committee and the administrative office organized over 1,000 cadres to go deep into the reality, make investigation and study, analyze various kinds of typical examples, and strive to sum up through the analysis good forms and good experience of general guiding significance for simultaneously grasping the the construction of the two civilizations. We made concrete analysis in the following three spheres.

First, we analyzed the situation in our prefecture to understand the functions of families in the new period. Our Hengshui Prefecture is an agricultural prefecture, in which rural population accounts for over 90 percent of its total population. Since the 3d Plenary Session of the 11th CPC Central Committee, the contract responsibility system geared to households with remuneration linked with output has been implemented in 99 percent of our prefecture's rural areas. Our peasants have switched from the previous highly centralized management method to the management method of each family or household separately undertaking their responsibility by contracts. This situation determines that in the process of building our socialist material and spiritual civilizations, we must pay full attention to the new forms and characteristics of the production under the system of contract responsibility system geared to households, renew our understanding of the economic, production, and social functions of our families, and thus change the old methods for grasping rural work which we carried over from the past and which were based on the subordinate relationships of "three levels of ownership with the production team as the basic level." Under the current rural situation, we should not neglect the position and role of families. A family is not just a level of operation for our collective economy, but also the most basic social unit in the process of building the two civilizations. Closely grasping the construction of two civilizations in each and every one of our families is the basis for grasping rural socialist construction.

Second, we analyzed the "two-civilization households," and thus had an understanding of the peasants of the new period. The "two-civilization households" in Hengshui Prefecture began to emerge as far back as when the all-round responsibility system was implemented. For example, in 1982, Zhang Lianxiang, the prefecture's first "double 10,000 household" in Fucheng County who both earned over 10,000 yuan of income and produced over 10,000 jin of food grain, took the lead to help more than 10 neighbors to lift themselves out of poverty and become rich after he became rich himself. He was called a "spiritual rich man." Gao Jianmin, a household specialized in processing rice and producing noodles, did not forget his neighbors when he became rich. He often said: "A family cannot be regarded as being rich if it is rich alone." He set up a family television room and a library and published a small newspaper on science and technology to enthusiastically spread scientific and technological knowledge and exchange information among the peasants. He also publicized the party's policy on making the people rich and spread new culture through writing antithetical couplets. Wang

Qingkun, a veteran party member at Teng village, Zhaoqiang County, built a new school with 30 classrooms to facilitate the study of the children of the masses of people after he became rich through undertaking all-round responsibility for the village's enterprise. An understanding of these "two-civilization households" enabled us to realize that "two-civilization households" are not only advanced representatives of those who had become rich through hard labor in our rural areas, but were also the people who were practicing and spreading the communist ideology in our rural areas. They embody both civilizations, have more perfect virtues than our specialized households and 5-good families, and reflect the brand-new mental outlook of the peasants of the new period.

Third, we analyzed the erosion of capitalist and feudal ideology in the process of the transformation in our rural areas from a self-sufficient and semi-self-sufficient economy to a commodity economy and thus realized the importance of educating peasants in communist ideology and building "two-civilization households." Through the investigation, we discovered that a small number of specialized and other households deviated from decent ways of production and operation and even forgot the principles after they became rich. A small number of them even violated discipline and law. Our peasants said that they were immersed in their money. Some other peasant households failed to break away from the fetters of the thoughts of small-scale peasant economy and dared not or did not know how to develop commodity economy. From the reverse side, these problems show the necessity of educating peasants in socialist and communist ideology and enabling them to become socialist builders with ideals, morality, education, and a sense of discipline. This has given even greater prominence to the significance and urgency in building "two-civilization households."

The above was the process of our discovery and understanding of "two-civilization households." It was also a process to transform and improve the ideological style and work methods of our leading groups. It showed that if we had not proceeded from the reality in our area, and if we had merely acted mechanically in accordance with the documents from the upper levels or copied the experience of other areas, it would have been impossible for us to find the good form of the building of "two-civilization households" that was suited to local conditions.

2. We have adroitly suited our measures to the situation and improved and popularized the form created by the masses of people.

The activities of building "two-civilization households" in Hengshui Prefecture were invented by the masses of people on the basis of the household contract responsibility system with remuneration linked to output. This invention was apparently spontaneous and simple initially. It was like a semifinished product that needed processing. We held that combining the CPC Central Committee's principles and policies with the creative activities of the vast number of masses of people at the basic level and promptly improving and popularizing the fresh experience gained by them are bounden duties for us, the leaders. Therefore, we paid attention to adroitly giving guidance in light of the situation and perfecting what the masses of people

have created. We should mainly do two aspects of work: 1) We should formulate the standards for different levels of the development of "two-civilization households." The governments at village, township (town), county (city), and prefectural levels should all clearly set their targets related to "two-civilization households" in the light of the different levels of the development of the productive forces and their different administrative levels, formulate detailed standards of assessment and thus enable the peasants to readily have examples to learn from and to have loftier targets of struggle. At the same time, in the light of the characteristics of rich specialized households and "5-good families," they formulated the standards for transforming them into "two-civilization households" including "emancipation of minds, becoming rich through labor, observance of law and discipline, transformation of traditions, unity with neighbors, family harmony, enthusiasm for science, and greater contributions." By so doing, they guided the vast number of peasant households in becoming "two-civilization households." 2) We have used communist ideology to educate our peasants and heighten the simple and traditional virtues among our peasants to the plane of scientific theory. Rural party organizations at various levels have always paid attention to finding the traditional virtues among the peasants such as thrift, diligence, simplicity, kindness, and willingness to help other people, transform and improve them with communist ideological theory, turn them into the spiritual food for our peasants to urge them to become rich through hard labor and to conduct production and operation in a decent way, and at the same time help bring a turn for the better to the general mood of the society.

In popularizing the experience of our "two-civilization households," we have done four aspects of work. 1) We made a small number of examples take along all the households around them and set typical examples on a large scale. The prefectural CPC committee specially organized a number of cadres who both had practical experience and were able to write, to write a book entitled "100 Examples of Specialized Households Becoming Rich Through Hard Labor." These cadres also wrote 35 reports to publicize "two-civilization households." The prefectural federation of writers and artists has published a book entitled "Biographies of 100 Peasants." The party committees and governments at prefectural, county, and township levels have set up a total of 1,423 typical examples of "two-civilization households" in the past 2 years. Through mobile lecture groups, newspapers, magazines, radio broadcasting stations, and video tape recordings and other methods, they publicized the advanced deeds and briefed people on the doubly civilized images of these households. The governments at various levels have granted inscriptions and flowers to the "two-civilization households" who have made outstanding contributions in order to rouse peasants' sense of honor and pioneering spirit. 2) We have gone deep at the basic level and grasped the work right in the households. Each cadre who is a party member has been assigned all-round responsibility for actually helping some households. For example, in Hengshui city, the city CPC committee secretary and city mayor personally set an example and organized 100 party and government cadres to respectively be responsible for helping 100 specialized households and 5-good families. They taught the households in the light of their actual conditions, and thus established 100 "two-civilization households"

in 1 year. Through establishing links between party members and households, Shenxian County made the families of its party members take the lead in building "two-civilization households." Now over 3,000 "two-civilization households" have already been established throughout the county. 3) We have set up guidance and service organizations to earnestly solve actual problems. In the sphere of technology, we have opened up diverse channels to popularize science and technology (our townships have established peasants' technical schools and our villages have set up peasants' science popularization associations). In regard to information, service is promptly provided (the various cities and counties have all established information service centers). In regard to law, the legitimate rights and interests of the "two-civilization households" have been protected (the legal advisory office and notary in Gucheng County alone have helped "two-civilization households" sign over 100 contracts). The various departments of the party committees and governments and the mass organizations such as youths', women's and militia organizations, all vigorously cooperate with one another to jointly build "two-civilization households." 4) Political concern has been shown for "two-civilization households" and attention has been paid to recruiting party members and promoting cadres from these households. In 1984, 316 party members were recruited from among "two-civilization households," and 2,667 cadres at village, township, and county levels were selected from among them. Through the above aspects of work, throughout the prefecture, over 90,000 "two-civilization households" of various types have already been established now, accounting for 11 percent of the total number of rural households.

3. We have continued to improve our "two-civilization households" and pushed the construction of these households up to a new stage.

The construction of socialist material and spiritual civilizations itself is a gradual and orderly process of development from low to high levels. There is also a trend of rural "two-civilization household" activities developing from low to high levels and from uniformed to diversified forms. This trend is closely linked with the general trend of the development from poverty and backwardness to common wealth and civilization throughout our rural areas. On the basis of this understanding, in guiding the activities related to "two-civilization households," we improve them while popularizing them and increasingly deeply spread them in all spheres of our rural socialist construction.

Paying attention to summing up the experience in turning ordinary peasant households into "two-civilization households" and perfecting these households themselves is the key link in continuing to heighten the level of the construction of "two-civilization households." Our "two-civilization households" represent the peasants' orientation of development in lifting themselves out of poverty and becoming rich and civilized. They are suited to the level of the development of our productive force and the relations of production at the present stage. This is the fundamental reason for their existence and development. However, it is impossible to enable each and every peasant household to reach the standards for "two-civilization households" at one stroke in 6 or 12 months. It is necessary for the party



committees and governments at all levels to go deep in our rural areas to do a lot of arduous and careful work in propaganda, education and organization. As we continue to sum up our experience, we have promptly discovered problems. Over the past 6 months, our prefecture has focused on supporting and helping the poor villages and households that account for about 10 percent of the villages and households in our prefecture. The prefecture and its 11 cities and counties have selected over 1,000 competent cadres, organized them into work teams to help the poor and sent them to the first line to give actual guidance and aid. At the same time, it does not slacken its efforts to develop the "two-civilization households" it has already designated and enable them to continue to heighten the degree of their two civilizations.

Economically guiding the peasants of "two-civilization households" in switching their family operation into combined operation is an important task in upgrading our "two-civilization households." Over the past 2 years, as we continued to carry out the education in current economic policies and communist ideals, a large number of people in our "two-civilization households" have become the principal force in uniting hundreds of thousands of households in following the path of becoming rich together. Some of them took the lead in passing on technology and thus helped their neighbors find a way to become rich; others took the lead in establishing township and town enterprises and economic combines and thus became founders and organizers of the new type of cooperative economy. At present, throughout our prefecture, there are over 20,000 economic combines of various kinds. All the peasant households who are members of these combines earn more than twice as much as ordinary rural households. Therefore, these combines are very attractive. The new economic organizations that have been set up because the "two-civilization households" have taken the lead in doing so, have broken the tentative idea of "small and specialized and then specialized and combined" concerning rural economic development. This has given us even more confidence in building socialist new rural areas with Chinese characteristics.

Taking loving care of "two-civilization households" politically is the key link in building "two-civilization households." The party organizations at all levels in our prefecture's rural areas have regarded "two-civilization households" as examples for the masses of peasants and have paid attention to giving play to the advanced role of "two-civilization households" in various aspects of rural work. They have established CPC and CYL organizations among the individual industrial and commercial households and economic combines and actively recruited, without lowering the standards, CPC and CYL members from among them or appointed them cadres at the basic levels. This not only imbued the CPC and CYL organizations and the basic government organizations with vigor, but also further heightened the level of building "two-civilization households."

Adopting the method of holding theoretical symposiums to study and discuss theoretical and practical problems which we may encounter in the process of building "two-civilization households," forecasting their development trend and deciding proper countermeasures are a good method to guide the healthy development of this activity. We have established a spare-time theoretical



study and propaganda contingent consisting of a thousand theoretical backbones. Recently we held a theoretical symposium and made a preliminary study of the problems of relationships between "two-civilization households" and the new collective economy, between building "two-civilization households" and developing ordinary peasant households, between building "two-civilization households" and building civilization villages and the problem of the role of basic party organizations. Through theoretical discussion, we have overcome our blindness in action and have heightened our consciousness, and have formulated the guiding principle of imposing no compulsory targets, of attaching importance to quality, focusing on giving and providing service, in order to ensure the healthy development of this work.

In our prefecture, we have just begun the activity of building "two-civilization households," our understanding on the activity needs to be deepened continuously and our work needs to be strengthened continuously in order to raise as quickly as possible the building of "two-civilization households" to a new high.

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CSO: 4004/41

## BE A MAIN PLAYER OF THE GROUP CHAMPION TEAM

Beijing RED FLAG in Chinese No 5, 1 Mar 86 pp 39-40

[Article by Mei Xiaoping [2734 2556 7720], a 1985 Qinhua University graduate, of the 601 Office of the Jianliu Company of Gansu Province]

[Text] In April 1985, I gave up the opportunity of further studies at the university and, on my own initiative, applied for work in the northwest region. This caused a stir inside and outside the university campus. In particular, following the report made by the newspapers, broadcasting and TV stations regarding my decision, many youths in various parts of the country wrote to me asking why I had made such a decision. I wish to talk here about my thoughts in reply to the comrades who expressed such warm concern for myself.

In September 1980, when I entered the gate of Qinghua University campus, I was then in an especial historical environment. At that time, the ideological circles of our country were unprecedentedly active. In the course of the rethink of the "Great Cultural Revolution," all traditional things faced a new challenge. Simultaneously with criticizing Lin Biao and the "gang of four" for using and faking the name of the revolution to prosecute various criminal activities, in the eyes of the youth of the time the "sense of social responsibility" and principle of collectivism were depreciated, being replaced by the worship of "individual power" and by the eager search for "self-interest." Many people saw from historical facts that the party had committed serious mistakes. In society, there were many dark aspects about which people felt pain. The desire to become a party member had also been dampened greatly. In such circumstances, would one like to have his destiny closely related to the party? This was an important selection facing me squarely on the road of life.

How should the party's errors be treated? At that time, although I was unable to have a clear perception of theory, the real life facts told me that in China's vast territory its most superior sons and daughters, whom Lu Xun had termed as "China's backbone elements," were still gathered under the banner of the Chinese Communist Party. People anxious to serve the motherland must be under this huge banner and march forward toward a common objective to be able to accomplish anything. Any single individual's strength would be unable to alter the national destiny.

Naturally, I was not a follower of nihilism. Under definite historical conditions, an individual's strength, particularly when he is driven by exalted sentiments, can create startling results. I also support that each and every individual should strive to make himself perfect in various aspects such as morals, ability, knowledge and learning. But the tempering, since boyhood days, of collective life and education in collectivism have made me believe all the more in the greatness of collective strength, and believe that once the individual's strength is incorporated into an organization to struggle for a great ideal, it will be greatly augmented. I firmly believe that if a person can, by means of his perfection, bring about other people's perfection, only then can his individual value be fully demonstrated.

Around 1980 was the time when our national women's volleyball team emerged from the Asian scene onto the world scene. As a sports enthusiast, I became a fan of the women's volleyball team. From their experience I achieved a further understanding of the role in social life that should be played by an individual who is imbued with a positive attitude to life. I feel that, from the angle of national development, the world can be compared to a ball field. The Chinese races form a ball team thereon and each and every conscientious youth among us should fight hard to become a mainstay player in the national team, fighting for the group championship. In a similar manner in current life, each and every specific activity and each and every piece of work is a contest. The group in which we find ourselves is a ball team and each and every conscientious youth should play the role of a mainstay player, in order that the group of which he is a member becomes the group champion team. The march toward communism is an incomparably difficult, complex and lofty undertaking. Each and every ambitious youth should take part unhesitatingly in the undertaking, when and as needed by the motherland and the people, and dare to "stand forth," "take up the burden," and "do the hard work."

At this time, some schoolmates were not too willing to take part in social welfare activities but, at my offer, I was made class leader. Some of my schoolmates were not too concerned with political activities and seldom gave thought to their political ideas but I was the first to send in an application to the party organization. These actions generated great effect on my schoolmates on campus. During the year I was class leader, the whole class collaborated wholeheartedly, helping each other and forming an extremely good class unit. We received the commendation of being an advanced class unit among the institutions of higher learning in Beijing city.

Four years passed and in the interval I became a glorious formal member of the Chinese Communist Party. The time soon came for job assignment on graduation. With great caution, I made the last big decision in my college career and it was an extremely serious one. I solemnly accepted the assignment.

In April 1985, the party Central Committee, the Ministry of Education, and the State Nationalities Affairs Commission jointly organized comrades from four northwestern provinces to come to Beijing to talk on construction conditions in the northwest, and to solicit and mobilize able and talented personnel for the region. As the principal cadre of the university's

students' union, I took part in the reception work. During the whole period of these activities the organizing work was rather difficult. Very few people were willing to listen to the introductions and pleadings of the visiting lecture team. Not a single person dared to register to go to the northwest. This situation made me think deeply. I could not believe that the university's years of ideological education and professional training could have produced no effect or that the spirit of offering oneself and the zeal to seek ideals so characteristic of the younger generation, could have vanished altogether. But of all things, to make a start is always difficult and to be the first to do something requires courage. I still remember that on one occasion on a train ride I met a young man whom I had not seen for several years and whom the university had assigned to work in a difficult region. He angrily talked about the improper practices, complaining that in the job assignment at the time of graduation, party members and cadres were all assigned good localities and good posts whereas other people were mobilized to go to the difficult places. There was also talk of this kind on various other occasions. Some even said: "I would feel contented even if there was only one party member who actually went to such places." These words served as a reminder to me and also as an encouragement and stimulant. Despite the fact that at the time the university authorities had already decided where I should do upon graduation, it did not serve as any reason for me not to express my own opinion. I was then a member of the graduating class and therefore the natural choice. In the capacity of a student cadre, I should be at the forefront everywhere and, being a party member, when the party and the people called, I should step forward bravely and answer the call.

Subsequently, facts revealed that among our generation there were quite a number of warm-hearted youngsters who were rich in ideals and willing to offer themselves. When graduation day came many members of the graduating class signed up for jobs in the far-away border areas. In our university, some schoolmates even gave up the opportunity to pursue further research work and proceeded to work in Qinghai. The outstanding feature of the 1985 job distribution work in our university was the willingness to follow the state's assignment and to proceed gleefully to the different posts. All this was a great encouragement and education to me.

Looking back down the road I have traveled over the past 5 years, particularly in regard to the two choices I made, I feel that the road taken was the correct one. The first choice I made enabled me to participate in an organization which struggled for the ideals of communism. This organization gave me warmth, education and the motive power to advance. The second choice I made enabled me to throw myself into a gigantic undertaking which is sorely in need of a large number of talented people and to obtain a position in which I can further display my role in social life.

At present, I am a member of the vast contingent of construction workers in the northwest. All the past has become history. From now on I shall start from scratch and zero. But one principle cannot be forgotten and shall be the rule of my actions throughout life: That is, never consider yourself a person isolated from the world, but consciously act as a constituent member of the gigantic enterprise; never search purely for the individual's perfection and interests, but strive hard to be a mainstay player of the group champion team.

THE NECESSITY OF INTENSIFYING THEORETICAL STUDIES AMONG CADRES AS SEEN FROM  
THE RESULTS OF SURVEYS AND TESTS

Beijing RED FLAG in Chinese No 5, 1 Mar 86 pp 41-43

[Article by the Lecturer Group of the Propaganda Department of Zhuzhou City  
CPC Committee]

[Text] At the end of 1985, we carried out a relatively all-round and systematic survey concerning theoretical studies among leading cadres at and above county level in our city. The survey showed that many cadres lacked basic Marxist-Leninist knowledge. During the survey we conducted a closed-book examination on common knowledge of philosophy, political economy, scientific socialism, and the history of Chinese revolution simply at the level of political theoretical courses given in our senior middle schools. Taking into consideration the fact that some leading cadres were relatively old and had poorer memories, we asked no questions of an essay-nature type in the test. Among the questions on the test, multiple-choice type accounted for 50 percent, fill-in blanks accounted for 10 percent, citing simple examples accounted for 8 percent, and the rest were simple common sense questions. For example: "What are the three sources and constituent parts of Marxism?" and "What are the fundamental differences between materialism and idealism?" Among the 129 papers, only 10 papers, or 7.7 percent, got marks above 80; 54 papers, or 41.9 percent, got marks between 60 and 79; 65 papers, or 50.4 percent, got marks below 60; 10 papers got marks below 30; and the lowest mark was 7. Taking part in the test were 64 relatively young leading cadres who had received college education. Among them, 29, or 35.9 percent, failed the test, the lowest mark being 29. Some principal persons of our economic administrative departments or enterprises do not know the two forms of expanded reproduction; some leading cadres of our financial and trade departments could not describe a commodity; and some cadres did not even know whether the following simple judgments were correct: "The fundamental task of the socialist state is to develop a production force"; "the key link of our economic structural reform is to strengthen the vitality of our enterprises"; and "Marxism is a dialectical unity between absolute and relative truth."

Through the survey we see that most of the comrades who were recently appointed to leading posts had an education above the college level, but 90 percent of them majored in sciences, engineering, medicine, or agriculture.



When they studied in their colleges, some comrades took only one or two courses on basic Marxist theory and had not learned Marxism soundly. After they graduated, they mostly were engaged in professional and technological work and seldom studied the social sciences. Even if they studied these courses hard in their colleges, having neglected them for a long time they gradually forgot what they had learned. When they took up their leading posts, it took a period of time for them to become familiar with their new jobs. Therefore, they had not had time to conscientiously study Marxist theory. As our county level leading cadres originally failed to make adequate theoretical preparations and failed to step up their efforts to make up for this defect after they were appointed to leading posts, naturally their theoretical level was relatively low.

From the discussions during the survey, we learned that many cadres had a muddled understanding of the study of Marxist theory, which was mainly summed up in the following categories: 1) Some of them thought that as they had educational certificates, naturally they knew theory and they were thus blindly self-satisfied. This view was relatively common among leading cadres who had received higher formal schooling and were relatively young. During the survey, we often heard people say: We learned these things in college, and if we are to study them again, we have only to learn by heart what we have already learned. Those comrades regarded the words and existing conclusions of Marxist theory as the entire content of Marxism. They were satisfied that they had learned these words and conclusions and did not want to continue to study Marxism. We think that this was mainly because they lacked a real, systematic, and all-round understanding of Marxism. 2) Others held that the theory was always changing. This view was relatively common among those cadres who are now about 50 years old and who received a relatively poor education. During the discussions, some comrades said: "During the 'Great Cultural Revolution,' theory changed as our politics changed. We had to change the views that we had learned and these changes turned us cold toward theoretical study." Some comrades even said that it was better to learn less theory than to learn more, better to learn nothing than to learn less, because the more one learned, the more bewildered one became. Through analysis, we held that this was confusion in the minds of these comrades, caused by the rampant spreading of metaphysics and distortion of Marxism by Lin Biao and the "gang of four" during the "Great Cultural Revolution." 3) Still others thought that Marxist theory was useless and only professional know-how was always useful; therefore, they failed to correctly handle the relationship between the study of Marxist theory and that of professional knowledge. This view was relatively common among vocational cadres. A deputy factory director of a medium-sized enterprise said: "By carrying out theoretical study, we cannot win any gold medals, create any value, or bring about any economic results. It is useless to study theory. We would rather study management and technology which are useful." This was a representative view. In the survey questionnaire, leading cadres of some enterprises said frankly that the major factor that hindered their study of theory was their "lack of interest" in such study and that they thought there "was no need" to study basic Marxist theory. This precisely showed that these cadres separated theory from practice and placed theoretical study against economic work. Moreover, some comrades

failed to have a clear understanding of the relationship between adherence and development. They thought that Marxism had evolved; therefore, studying the theory of our ancestors could not solve practical problems. As a result, they were not willing to make efforts to study basic theory.

Marxism is a guide for our actions. All of the work and activities that our party carries out is linked with Marxism. All of our socialist orientation and path and the party's principles and policies is an outcome of integrating basic principles of Marxism with actual practice in China. If we fail to study hard basic Marxist theory, how can we use it to guide our thoughts and acts, or to analyze and solve various kinds of practical problems? How can we heighten our consciousness in implementing the party's principles and policies and adhere to a correct orientation during the reform?

Facts have already proved this. During our survey, we found that the thought patterns of some comrades were subjective and one-sided. They were apt to regard a partial phenomenon as an all-round situation and to go to an extreme and not correctly understand the party's principles and policies. Under the situation of opening up to the outside world and stimulating the economy at home, they could not make a clear distinction between right and wrong and did not know what was correct, what was wrong, what is socialist spiritual civilization, and what was capitalist decadent thought. Some comrades lacked initiative and foresight. They were busy day and night, but they had muddled ideas on some questions. Therefore, when a problem cropped up, they often dared not to make prompt decisions and thus lost good opportunities or made mistakes. The major ideological explanation for all this was their lack of guidance from Marxist theory.

We are presently in a new period of building socialism with Chinese characteristics. Countless new problems and situations will emerge one after another. There is no other way to solve these problems and we can only rely on integrating the basic principles of Marxism with practice. Now, a large number of middle-aged and young cadres have been assigned to leading posts. The tasks and nature of their work have undergone new changes. In the past, many comrades were engaged in vocational and technological work, carried out scientific research, contacted a small sector of people, and had a narrow scope of knowledge. They did not know much about Marxism, but they are now doing the work of leaders and are required to control the whole situation, to be in charge of implementing the party's line, principles and policies. This requires them to learn as soon as possible the lessons of basic Marxist theory which they missed so that they might apply a Marxist world outlook and methodology in making a scientific analysis and judgment of the tremendously changing social, political, economic, and cultural phenomena, thus drawing correct and practical conclusions. Comrade Deng Xiaoping said that we had to improve our sense of principle, organization, foresight, and creativity in our work. We will have none of these qualities if we do not study Marxist theory. Some cadres said with deep feeling that if we have only a great desire to do our work well, but do not have good guiding thoughts, often we will do what is contrary to our desire. Correct guiding thoughts can only be obtained through studying basic Marxist theory.

The city CPC committee has attached great importance to this survey. It has promptly approved and circulated the investigation report of the survey team of the propaganda department and lecturer group of the city CPC committee. The city CPC committee clearly pointed out: "We should grasp the study of basic Marxist theory as the core of our developing a spiritual civilization, as the key to our ideological and political work, and as a guarantee for the rectification of our party style." It has also decided to adopt the methods of television education, small rotational training courses, and self-study to organize theoretical study for cadres all over the city. The first round of the reading course for theoretical teachers in units at and above county level started on 4 January. The city CPC committee also stressed the principle of linking theory with practice, put forth the view that theoretical research had to be geared to the needs of Zhuzhou, to serve reality, and to application. It required its theoretical workers to cater to actual needs and its practical workers to carry out theoretical research. It encouraged its leading cadres to study theory, sum up their experiences, write theoretical theses, guide their work with theory in order to gradually give rise to a good prevailing practice among cadres all over the city of conscientiously studying and applying Marxism.

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## WHAT IS THE RELATIONSHIP BETWEEN REFORM AND DISCIPLINE?

Beijing RED FLAG in Chinese No 5, 1 Mar 86 pp 43-45

[Article by Yang Guangyu [2799 0342 5940] and Nie Chunyu [5119 2504 3768]]

[Text] Reform is the self-perfection and self-development of the socialist system, and is carried out in a planned, systematic, and orderly manner under the leadership of the party and government. This requires that there should be discipline as a necessary guarantee. The CPC Central Committee's proposal on the Seventh 5-Year Plan clearly pointed out: "At no time should we forget that the four modernizations that we want to realize are socialist four modernizations. All the policies of reform, opening up, and stimulating our economy are aimed at building socialism with Chinese characteristics." This stipulates the nature of the connotation of the economic structural reform that has been vigorously developing in our country. All aspects of our reform must be carried out in close relation to the main principle of socialist orientation. If we deviate from this orientation, we will go against the goal of our reform. Discipline is the guarantee ensuring that we adhere to the socialist orientation in implementing the party's line, principles, and policies. If there is no discipline, if everybody is allowed to act at will, and if there is anarchy in which "everybody is allowed to do what he wants to do," then we will certainly deviate from the socialist orientation and finally undermine the reform.

The practice of reform has proved to us that the necessary discipline remains an important lever for coordinating the parts with the whole and micro-economic with macroeconomic relationships. In view of the process of social practice, the overall macroeconomic reform is often the sum of partial and microeconomic reforms. If there is no conscientious microeconomic probing and testing, and if we rely only on the formulation of plans on major macroeconomic reforms, it is almost impossible for us to fulfill the task of reform. At the same time, we must also fully understand that each specific aspect of reform is a small constituent part of the entire cause of reform. The general goal and trend of our reform demand that these small reforms must by no means be in conflict with the demands of our microeconomic development. In addition, only when they conform with the general goal of the reform can they achieve the expected successes. Otherwise, if we pursue short-term satisfaction and benefit, we will by no means be able to make them last. Discipline is a norm and restriction to the operations of our

microeconomy, but this norm and this restriction are not negatives. On the contrary, they correctly discern, guide, and coordinate the mechanism of the operation of our microeconomic activities from an even higher plane of combining microeconomic with macroeconomic mechanism. Therefore, it is fundamentally conducive to the healthy and sustained development of our microeconomy. A shrewd leader can understand this characteristic of discipline. They do not blame the macroeconomic control for restricting them, but consciously adapt themselves to the objective surrounding of the reform, conscientiously explore the way in the course of the microeconomic reforms, and regard satisfying the macroeconomic demand of the overall situation as a discipline of the reform to follow.

True, it is necessary for the reform to break the rules and regulations and outdated policies. But this does not prove that discipline is unnecessary in our reform. On the contrary, reform precisely means attaining the goal of developing our productive forces through formulating a series of new policies and decrees to replace outdated conventions that hinder the development of our productive forces and through establishing a new-type system with Chinese characteristics to regulate and restrict the operation of our economic mechanism. What our reform must smash is only the irrational rules and regulations rather than the necessary discipline. What our discipline restricts should only be the acts that go beyond the norms but it should not tie people's hands in carrying out the reform. Deeply understanding the essence of the reform and discipline, fundamentally uniting these two, and consciously using discipline as a "gear" to control and push forward the "chain" of reform, this is the attitude that all those who are keen at reform, in particular reform leaders, should adopt.

Some comrades are at a loss how to handle the relationship between reform and discipline. When reform is stressed, they slacken discipline, but when discipline is stressed, they suspend the reform and adopt a wait-and-see attitude. One important reason they act this way is because they do not understand or they fail to grasp the dialectical unified relationship between reform and discipline. Viewed as a whole, reform, as a means to promote the development of society, is a positive and dynamic process, but from the point of view of its concrete processes, it is often characterized by development by stages and with fluctuations. Compared with the practice of reform, discipline is better characterized by being relatively unchanging. It is norms that have taken shape through summing up past experience and which regulate and restrict the trend of future reform. However, as norms for our acts of reform, our discipline does not remain absolutely unchanged. In the course of our reform, except for the discipline that has been proved to be effective by our practice and that we must impose, we should formulate a new discipline in the light of the changes in the situation and our tasks and use it as a brake or regulator to ensure the smooth development of our reform. From this we can see that reform and discipline are by no means absolutely opposed to each other, but are shown as a dynamic and static dialectical unity in many aspects in the process of our reform, namely, the unity between the reform's apparently changing nature and discipline's relatively unchanging nature, the unity between the continuity and the nature of development by stages in our reform itself, and unity between the nature of



being relatively unchanging and the changing nature of our discipline. When we understand and grasp this dynamic and static dialectical unity between reform and discipline, in handling the relationship between reform and discipline, we will gain the initiative rather than be passive.

Adhering to the unity between reform and discipline appears particularly important now when we have not yet brought a radical turn for the better to our party style or the general mood of our society. At present, there are indeed the phenomena that some people have made gains for themselves as individuals or for their units by exploiting the loopholes of our reform and violating financial and economic discipline, while those who strictly observe the discipline may suffer certain losses concerning their economic interests. These are temporary phenomena that we are correcting and putting an end to. They have by no means proved that our discipline fetters our reform, but on the contrary, they have only proved that unhealthy practices that violate our discipline are hindering our reform. Therefore, in order to reform our economy, we should more strictly impose our discipline. Only the views that people should correctly understand and handle the relationship between reform and discipline, and that all people should consciously observe the discipline and persist in carrying out their activities within the scope allowed by our policies, rules, and documents, are conducive to correcting the unhealthy practices and enabling our reform to attain the expected goal. If we act in accordance with the view that "we should reform our economy and slacken our discipline," then, first, we will hinder the reform, second, we will encourage the unhealthy trends, and third, we will have more cadres commit mistakes and even ruin a number of our cadres. We must never overlook this.

We should never be too lenient with corruption or serious violations of the law and discipline that have been committed deliberately. We must mete out disciplinary punishment for any violation of discipline and legal punishment for any violation of the law. We should resolutely prohibit activities that violate our discipline and harm the interests of the state and the vast number of masses of people. We should economically punish those who have exploited the loopholes of our reform to make large personal gains. We should not allow these offenders to benefit economically. If we tolerate these activities, we will damage the dignity of our discipline, rules, and the law. This is detrimental to our reform, does not conform to the fundamental interests of the people, and is also detrimental to educating our vast number of party members and cadres. We should not only always impose our discipline, but also repeatedly intensify our education in discipline. In particular, we should earnestly teach our vast number of party members and cadres to realize that their fundamental goal is to serve the people and to strive to follow the principle that in doing anything at any time and under any circumstances, they should put the people's interests before everything.

Of course, in imposing our discipline, we must be serious and prudent. We should not regard the necessary experiments and probing in our reform as violations of discipline. A leader should have sharp eyes and be good at discovering and brave in protecting the initiative of some of our advanced cadres and people who represent the orientation of the social reform and who have to some extent broken outdated, old conventions. Like any good weapon

of war which is certain to have some effect on the area around its target and to have a range of error, the activities of our reform may also have some errors in spite of their correct orientation. True, we should conscientiously sum up our experience and draw lessons from the errors, but we should distinguish these errors from violations of discipline. We should analyze these errors, regard them as being different from violations of discipline, protect the good achievements of our reform, support the spirit of reform, and help the advanced elements in the reform as we would help the growth of "young buds."

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## WHY IS REFORMING THE PRICE STRUCTURE AND THE PRICE MANAGEMENT SYSTEM CRUCIAL TO IMPROVING THE MARKET SYSTEM?

Beijing RED FLAG in Chinese No 5, 1 Mar 86 p 45

[Article by Li Xiaoxi [2621 2556 6007]]

[Text] The market is the product of commodity economy. Following the development of the commodity market, markets for funds, technology, and information have correspondingly come into being, thus forming an organically related market structure. Socialist economy is a planned commodity economy. It requires us to reform the ossified price management system, which is overcentralized and exerts a strangling form of control, to follow the demands of a socialist planned commodity economy, to determine the scope of the functions and power of price management, and to promote the rationalization of the price parities and price disparities of commodities and thus the formation and perfection of the socialist market structure.

We can explain from three angles the key role of price reform in forming and perfecting the market structure. First, only through reforming the price structure and the price management system is it possible to enable the commodity market to continuously develop and achieve perfection. In terms of territory, the commodity market may be classified into the international market, the domestic market, the rural market, the urban market, and so forth. Touching on the direction of reform of prices in the commodity market, the proposal of the party Central Committee on the Seventh 5-Year Plan pointed out: In regard to the market in means of consumption, aside from a small number of important commodities still subject to price-fixing by the state, the prices of ordinary commodities should be liberalized gradually and according to plan, so as to follow the conditions of market supply and demand; as for the prices of important means of production, it is necessary to gradually reduce the proportion of those subject to unified price-fixing by the state, and to enlarge the proportion of those subject to market regulation, and at the same time it is necessary to readjust, in a planned manner and step by step, the planned prices, so that the disparity between the two categories of prices, namely planned and market prices, will be gradually reduced; in the case of important public utilities and major labor services, the levels of fees and charges, or prices, will be still under the state's control, but planned readjustments will be made, while the charges and prices of tertiary industry will be gradually opened

up and liberalized. All this will rationalize the price structure and enable the price levers to perform their role in an even better manner in regulating the production, circulation, and consumption of commodities. Rational price parity relations can automatically adjust the input of social labor power, funds, and materials to be in line with social needs; while rational price disparity relations will change the past subsidized form of circulation to normal price disparity relations, thereby promoting the perfection of the commodity market and the development of the commodity economy.

Second, only through reforming the price structure and the price management system is it possible to bring about the formation and development of various kinds of markets such as the money market, the technology market, and the information market, and to make the market structure gradually approach perfection. In explaining the proposal on the formulation of the Seventh 5-Year Plan, Premier Zhao Ziyang pointed out: "It is necessary to further develop the socialist planned commodity market and gradually perfect the market structure." These words pointed out the close relationship between the commodity market and the market structure. Development of the commodity market plays the role of leading and promoting the formation and development of the entire market structure.

Despite the fact that the formation and perfection of the money market requires the reform of the currency system and that the formation and perfection of the technology market requires the reform of the science and research system, and so on, the coordination axis of the reforms of the various systems is still the reform of commodity prices. Reform of commodity prices is the key to reforming the economic structure.

The various kinds of markets all have their own special price forms. In the money market, the prices of funds are shown in the forms of interest rates, exchange rates, and stock dividends; in the technology market, the prices of technological products are shown in such forms as transfer charges or input of shares in technology. But the changes in these prices are all closely related to commodity prices. For example, changes in price indexes are likewise followed by changes in interest rates, exchange rates, and share dividends. It may be said that separated from the reform of the various structures which are coordinated with the reform of commodity prices, the market structure cannot be formed, and that without the appearance and perfection of the special market price forms of the various kinds of markets which are coordinated with the reform of commodity prices, the market structure cannot be formed and perfected.

Third, reform of the price structure and the price management system can promote competition, strengthen the vitality of social production, including that of large and medium-sized enterprises, enable society to possess a supply system which is strong and in variegated form and which conforms to social needs, and also lays a firm foundation for the market structure. On the other hand, it can reduce the scope and amounts of price subsidies, assist in abolishing the rationing system and the supply system of commodities, enable society to form a pluralistic and multilayer consumption

network, and also enable the market structure to possess the necessary conditions. Thus, price reform can make the two sides of social supply and demand react suitably to changes in the development of the commodity economy. This lays the foundation and creates a good environment for the formation and perfection of the commodity market and the entire market structure.

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WE MUST BE GOOD AT GRASPING MATTERS OF PRIME IMPORTANCE, WHILE KEEPING THE OVERALL SITUATION IN MIND

Beijing RED FLAG in Chinese No 5, 1 Mar 86 p 46

[Article by Liu Yangchun [0491 7122 2504], secretary of the CPC Committee of Shaoyang [6730 7122] Prefecture; taken from XUEXI DAobao, 1986, Issue No 1]

[Text] 1. If one is to be a good county secretary, the most important task is learning how to grasp matters of prime importance, while keeping the overall situation in mind.

The key consideration in the new period is that economic construction has become the central task, while the villages have changed from engaging in pure agriculture to comprehensive management. In facing such a relatively complicated and systematic process, our work procedures need to be made more scientific. That is, we must make scientific decisions rather than decisions based purely on experience. In the past, we relied mainly on individual experiences and the wisdom of leaders to complete our overall work procedures. Now, in making a major decision, we must use scientific methods such as carrying out investigation and research, using forecasting technology and analyzing viability. When problems are discovered, we must use scientific procedures such as fixing goals, assessing the value of things, selecting the best plan, and carrying out experimental verification, and using modern technology. Only in this way will we be able to complete our work.

2. A county secretary must have a strategic mind and be good at grasping basic, key work.

In terms of space, he must consider: the relationship between building material civilization and building spiritual civilization; the relationship between economic work and ideological and political work; the relationship between party committee work and government work; and so forth. He must also research, for the whole county, economic development strategies, population development strategies, facilities development strategies, social development strategies, technical development strategies, personnel development strategies, and so forth.

In terms of time, he must consider the overall situation as well as strategies, including the overall process of the county's development and the

different development stages. A good county secretary must look ahead and behind and make good preparations before taking any steps. Not only should he look at today's results in terms of yesterday's struggle, but he also should see today's practice in terms of tomorrow's requirements.

The county secretary must also be good at grasping basic, key, local work. Some people say the most important, key work is developing talented and skilled personnel. Of course talented and skilled personnel are important, but even more important are the systems and institutions. If we view people with creative abilities like fast cars and the systems and institutions as the road, then if we do not have a wide, smooth, flat road, a car which can travel quickly will be of no use. Thus, at present the basic, key work is reform.

3. If a county secretary wants to grasp matters of prime importance while keeping the overall situation in mind, he must put great efforts into management, decisionmaking, and coordination.

Management is the party secretary's basic duty. An important component of management is the institution of the post responsibility system throughout the county at all levels. The county secretary should have good control of the members of the county party committee so that, through the members of the county committee, the lower level party committee members can be controlled. In this way the county secretary can use some of his vigor in handling day-to-day work and most of his vigor in thinking about important, long-term matters.

Whether decisionmaking is correct and whether it is timely is important to the success or failure of an undertaking. If we are to have correct decisionmaking, we must ensure that the decisionmaking process is scientific. If we are to have timely decisionmaking, then we must have a high-quality, consultative body. If we are to have firm decisionmaking, we must have both courage and knowledge. We also need a keen-witted and effective executive body.

We must be good at coordinating the relationship between party committee organs and government organs and the relationships between the various aspects of economic work, playing a role as "binding agent." We must also be good at coordinating the relationship between leaders and the masses and play a role as "close friend" of the masses.

If a party secretary is to be good at grasping matters of prime importance while keeping the overall situation in mind, he must also pay attention to his own studies. First, he should study the basic theories of Marxism and the principles and policies of the party, holding firmly to the correct work direction. He should study management science, leadership science, organizational psychology and so forth so as to raise his leadership level.

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CSO: 4004/41

## CONTRIBUTIONS AND FAME

Beijing RED FLAG in Chinese No 5, 1 Mar 86 p 47

[Article by Jiang Xia [3068 7209]]

[Text] Two years ago, I visited Guan County of Sichuan Province twice. When, each time, I climbed up to the Huanjing Pavilion of Yulei Shan to look at the Dujiangyan Dam, which has contributed so much to the people's welfare and looked so gorgeous and grand, the saying instinctively came to my mind: "Persons who have contributed to the people's welfare live forever in people's minds."

People in our ancient past were interested in "performing meritorious deeds and making contributions." Over 2,000 years ago, Li Bing, head of the Shu Prefecture of Sichuan Province, constructed this huge water conservancy project. Its water irrigated over 2 million mu of farmland, turning the flatland in western Sichuan into thousands of li of fertile soil and making the province a "land of abundance." "The Historical Records: On Rivers and Canals," recording this event, says that "all the people enjoyed its benefits." This person Li Bing verily deserved to be praised as "having made enormous contributions to the welfare of the populace." Since the establishment of the PRC, we have continued construction in the Dujiangyan area, enabling this huge water conservancy project to expand its beneficial effects (over 8.6 million mu of land are now irrigated by this project). People continue to worship at the "Erwang Temple." The stone statue of Li Bing of the Eastern Han era, which was unearthed a score of years ago, still stands here. I consider it an expression of the people's gratitude, and a eulogy, to this personage who contributed so much by doing what was good and removing what was evil for the people--a sort of memorial with the people's characteristics.

How can it be said that China's traditional culture is in conflict with modernization? I am afraid that this is not true, particularly with the existing ideologies of "standing firm on rendering services, on morality, and on one's promises," "initiating and creating careers," and "making worthwhile contributions." The general features in the building up of culture are: Through the ages ideological legacies have been analyzed, transformed, and absorbed or endowed with new contents of valuable ideas, thereby becoming worthy of being inherited. At present, the socialist

modernization program is in dire need of people's desire to make contributions. It also needs thousands upon thousands of cadres, strongly imbued with this kind of desire, to serve the nation and the people tirelessly, working hard and toiling until death and not bothered at all by thoughts of fame and position.

One of Du Fu's poems eulogizes the "beauty in the spring of the Jin Jiang and the vast changes brought about by the building of the dam at Yulei." Throughout China's history, undoubtedly there have been many people who, like Li Bing, put "making contributions" first. The saying "fame follows the accomplishment of feats" should mean that one must make contributions first and produce real results which win social acclaim before one can acquire fame, prestige, and favorable treatment. Again, the saying "have highly meritorious deeds duly recorded" implies that fame and the like are the record and reflection of different kinds of meritorious deeds and contributions. Once fame has been achieved, one must still strive to score new achievements and render new meritorious services. Sages in past history were all aware that "in assessing contributions, and giving awards or imposing fines, the worthy ones should not be neglected," that "those not having made worthy contributions to the state should not be given high government posts," and that "persons lacking meritorious deeds dare not occupy high positions." By reason of the class element in society, these views could not necessarily be carried out and might even be completely contradicted. In any case, these ideas and viewpoints are positive ones. Those sages never advocated that in undertakings and in knowledge one need not first perform real deeds and have concrete accomplishments, or that one should strive hard for fame and position and should not fall behind others in this respect, or that fame should be given indiscriminately to people.

The millions of people of the current era still praise with full enthusiasm Communist Party members and cadres who are party members because of having made contributions to the welfare of the people. This can be seen, heard, and felt by people before martyrs' tombs in various places in our country and from proverbial sayings, folk songs, and common utterances. The people still understand that "glorious deeds are followed by fame," that this is an objective fact, but that it does not indicate that people should work purely for the sake of gaining fame.

In building the two socialist civilizations, our Communist Party members and cadres who are Communist Party members should never forget the party's overall objective of serving the people with one's whole heart and soul. This is a Marxist objective. In it, the many positive elements of our motherland's superior cultural legacy have been absorbed and digested and have made flying improvements in quality. Only through following this objective to render service and make contributions can we attain real honor and fame.

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A MIRACULOUS RISE TO FAME--ON READING THE STORY 'A SONATA OF ENERGY, HEAT, AND STRENGTH'

Beijing RED FLAG in Chinese No 5, 1 Mar 86 p 48

[Article by Jiang Zheng [1203 6927]; story carried in May 1985 issue of ZUOJIA [WRITERS]]

[Test] To the procrastinating and parochial small producers who rely solely on their past experiences, the rise of modern enterprises and modern civilization is an incomprehensible mystery.

Wang Youdou and Wang Fa, owners of the Xilaixun Restaurant, which has the style of the Dunwangfu Restaurant, celebrated for its roast mutton, are in precisely this predicament. It defies solution. Their five old rooms, whose walls are already showing the reed matting underneath, and the piece of land threatened by buildings on four sides are, in the hands of the four youths clad respectively in red, blue, yellow, and green imitation camlet jackets, instantly and miraculously converted into a brand-new and modern restaurant which has its special features and which is thriving and prosperous. The Wang father and son are jealous, startled, and puzzled....

The unique and stimulating feature of "A Sonata of Energy, Heat, and Strength" are its vivid portrayal, from the special angle of an individual entrepreneur, of the miraculous rise of a modern restaurant, thereby lifting the curtain of the modernization of our tertiary industry and letting people see its bright prospects.

The first section of the story is a "blurred overture," true to its name title. It is blurred because we and the Wang father and son have no way, for a time, to see clearly the real intention of the buyers of the houses, and are unable to perceive the breadth of mind and ambition of the four youths. As a result, an astonishing aesthetic psychology is generated; in particular, the story analyzes in detail the different psychology of the individual operators, the Wang father and son: The more sincerely, liberally, frankly, and from the heart the buyers show their concern for the interests of the sellers, the more puzzled are the Wang father and son. They seem to have before them not college students (three of the four youths are college students) of the eighties, but a dreadful sphinx. Here, the novel initially reveals the deep disparity between different kinds of people and different



kinds of psychology. The psychology, vision, and resourcefulness of Wang Youdou, the small property owner, are diametrically opposed to the unfathomable magnanimity of Zhang Hongtao, the chief representative of the group of buyers. Other characters, all presented colorfully and in different forms, all help to enrich the total complicated and confused picture.

If it is said that the first section of the novel is only the overture or prelude of the production, then the second section is its developed part. Its entire illustrious color, complex tunes, and high-spirited rhymes all burst forth simultaneously, playing before Wang Fa and the readers of the story an impressive and moving "rising sonata." First, the rise of the Bally Restaurant is a miracle. Wang Fa can never understand how "all the originally unfavorable factors can have become favorable factors and all the originally inferior conditions can have become superior conditions." Just as is stated in the comments made by the city information company and the city committee for guiding the development of tertiary industry: This is a newly developed type of business which takes an overall view of the situation, has quick access to information, is able to grasp opportunities, is skillful in using its topographical advantages, and is imaginative in its plans and brave in creating something new. This enterprise not only presents to the Wang father and son a new world, and makes Wang Fa feel the "intermixing of the ages," but also causes quite a stir in the city and brings to the city residents a new atmosphere of the new era. This new-style restaurant is no longer a place to fill the stomach, but eating and business, eating and science, eating and information, eating and amusement...are all closely interwoven. Thus, simultaneously with the rise of this restaurant, we also see the rise of science in this area of restaurant services which hitherto has made the minimum use of the fruits of modern science and technology. Here, management science, economic science, information science, and sciences related to recreation, construction, the arts, and training and employment of personnel are all in use. If it is said that these dazzling results make Wang Fa, simultaneously with admiring his boyhood friend Zhang Hongtao, suffer from an inferiority complex and feel a sense of lagging behind others, then the concern, understanding and sympathy, respect, help and wish to cooperate expressed by Zhang Hongtao and his coworkers must make Wang Fa feel pleased and encouraged and see new hopes ahead. This shows that socialist competition possesses brand-new man-to-man relations which capitalism does not, and cannot, possess. This group of young people are not looking for jobs to support their families and never dream of becoming big merchants and important business executives. They are only opening up tertiary industry as a new venture and a sort of new ideal for their struggle and for them to offer their lives to. Thus, through the rise of a restaurant, we see also the rise of a new enterprise, and the rise of a new concept and of a number of new people.

This "Sonata" of Run Shui and Chen Xuan is only a small portion of our symphony of many compositions in the era of reform. However, people can, from the big and the small, perceive an exceedingly pleasing situation displayed by the reform. It tells us that the tide of reform and of replacing the old with the new is irresistible. Antiquated and old concepts and backward management methods cannot avoid being replaced by new and

advanced concepts and methods. Individual households and enterprises are no exception to this rule and must undergo a severe test. The only consolation is that thanks to the protection and guarantees of the socialist system, to the socialist consciousness which people have generated through the years, and to the friendly man-to-man relations, the replacement will take a secure and gradual form, avoiding Western society's vulgar phenomena of cheating, deceiving, and crushing each other. Perhaps this is one of China's characteristics.

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A POLITICAL THEORY BOOK THAT IS WORTH READING--A BRIEF INTRODUCTION TO  
'ANNOTATIONS TO THE RESOLUTION ON CERTAIN QUESTIONS IN THE HISTORY OF OUR  
PARTY SINCE THE FOUNDING OF THE PRC (REVISED EDITION)'

Beijing RED FLAG in Chinese No 5, 1 Mar 86 inside back cover

[Book review by Wei Zhi [3634 0037]]

[Text] "Annotations to the Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC (Revised Edition)," compiled and edited by the party literature research office and published by the People's Publishing House, is a political theory book that is worth reading.

This is a book of notes. Through the full and accurate use of documents and archival material, it provides a correct description, analysis, and explanation of the historical facts and theoretical viewpoints found in the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" passed by the 6th Session of the 11th CPC Central Committee. There are 130 notes and over 400,000 characters. Involved in the compilation were nearly 100 theoretical workers from over 30 units, including the relevant departments of the CPC Central Committee and State Council, relevant research organs, and military institutions. Most of these comrades have done specialized research into the matters written about, and some are well-known scholars of high standing. The documentary materials and economic materials used in the notes (including some rare historical archival material published for the first time) were selected, appraised, and checked by relevant departments and great efforts have been made to ensure that the viewpoints put forward have a historical basis and have been subject to serious analysis and research. This book was first published in 1983 for internal distribution and was praised by party and government cadres, teachers of and researchers in party history, and theoretical propaganda workers. In 1985, it was revised and supplemented with some important documentary materials explaining historical facts and viewpoints. Also, drawing on new achievements in the understanding of political theory over the last few decades, some of the analyses, expositions, and wording of the original notes were improved.

This book provides a quite systematic explanation of the historical experiences of China's revolution and construction as well as of the new experiences since the 3d Plenary Session of the 11th CPC Central Committee, in accordance

with the judgments of the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC." In order to better understand the present, this book specially provides, through certain notes, a description of the major experiences of the CPC in leading China's revolution to victory before the founding of the PRC. However, the major stress of the book lies in describing the major historical events and important lessons of experience since the founding of the PRC. It introduces the successful experiences of the CPC in leading socialist revolution and socialist construction in the 17 years after the founding of the PRC and, at the same time, explains quite openly the historical process by which our party's "leftist" mistakes developed. It clarifies the truth in respect of various important events during the "Cultural Revolution" and concretely analyzes the painful lessons in respect of the launching of the "Cultural Revolution." It explains the origin and development of some of Comrade Mao Zedong's basic theoretical viewpoints and dissects quite fully the origins of the ideological and theoretical mistakes made by Comrade Mao Zedong in his latter years. It introduces the historical process by which the 3d Plenary Session of the 11th CPC Central Committee brought order out of chaos and provides an initial description of how, in recent years, our party has summed up those basic experiences which accord with our national conditions. This book strives hard to closely combine historical observation with theoretical elaboration and analysis of the present situation. Actually it is a political theory monograph in note form. Thus, in the study of theory, in research into party history, and in the study of China's present socialist situation, this is a reference work of great value.

Of course, this book has a few shortcomings. For example, it is rather weak in its description of the historical experiences in the first 7 years of the PRC and the new experiences since the 3d Plenary Session of the 11th CPC Central Committee. Some notes are quite prosaic and vague, while some of the language is insufficiently lively. These points need improvement.

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